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Agrahayana 26, 1886 (Saka)

LOK SABHA DEBATES

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LOK SABHA SECRETARIAT
NEW DELHI

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LOK SABHA

Thursday, December 17, 1964/Agrahayana 26, 1886 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

बम्बई में तस्कर व्यापार

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*547. **श्री प्रकाशवीर शास्त्री :**
श्री जगदेव सिंह सिद्धान्ती :
श्री दलजीत सिंह :
श्री प्र० क० देव :
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श्री च० का० भट्टाचार्य :
श्री उमानाथ :
श्री इम्बीचिबाबा :
श्री नम्बियार :

क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि हाल में ही बम्बई में पी0 एन0 3570 नम्बर की एक कार पकड़ी गई थी जिसमें सोना तथा कई लाख रुपये के नोट मिले थे ;

(ख) क्या यह भी सच है कि रोपड़ के निकट इसी नम्बर का एक ट्रक भी पकड़ा गया था जिसमें कुछ आपत्तिजनक माल था ;

(ग) यदि हां, तो इस गाड़ी का लाइसेंस किसके नाम था ; और

(घ) इस मामले में क्या कार्यवाही की गई है ?

वित्त मंत्रालय में उपमंत्री (श्री रामेश्वर साहू) : (क) जी, हां।

(ख) से (घ). यह पता लगा लिया गया है कि एक बिल्डिंग कानट्रेक्टर की फर्म का एक ट्रक, जो कि झूठी नम्बर-पट्टी पी० एन० टी० 3570 लगाये चल रहा था, मोटर गाड़ी अधिनियम तथा विनियमों और आवश्यक पदार्थ अधिनियम के अन्तर्गत अपराध में पंजाब पुलिस द्वारा पकड़ा गया था। मामला अनन्य रूप से राज्य सरकार के अधिकार-क्षेत्र के अधीन है।

श्री प्रकाशवीर शास्त्री : मैं यह जानना चाहता हूं कि यह जो कार पी0 एन0 टी0 3570 बम्बई में पकड़ी गई क्या वह पंजाब के पिछले मुख्य मंत्री सरदार प्रताप सिंह कैरों के पुत्र श्री सुरेन्द्र सिंह कैरों के नाम से पहले रह चुकी है। यदि हां, तो उस में कितना सोना और कितने लाख रुपये के नोट थे जो कि पकड़े गये ?

श्री रामेश्वर साहू : यह जो गाड़ी पकड़ी गई वह प्रताप सिंह कैरों के नाम से नहीं थी, यह गाड़ी देवी चन्द शाह के नाम से थी। लेकिन एक मोहिन्दर सिंह है जो कि प्रताप सिंह कैरों का साला लगता है, पहले यह गाड़ी उसके नाम में थी।

श्री प्रकाशवीर शास्त्री : मैं ने अपने प्रश्न में यह भी पूछा कि उस में कितने लाख रुपये के नोट और कितना सोना था। यह शायद मंत्री महोदय भूल गये।

श्री रामेश्वर साहू : जो सारे रुपये और सोना पकड़ा गया वह कुल मिला कर 29 लाख 50 हजार रुपये का है।

श्री प्रकाशवीर शास्त्री : यह जो पी० एन० टी० 3570 की गाड़ी पकड़ी गई, जो कि पिछले मुख्य मंत्री के साले के नाम से थी उस में लगभग 30 लाख रुपये के मूल्य का सोना और नकद था। मैं जानना चाहता हूं कि क्या पंजाब के पिछले राज्यपाल श्री एन० वी० गाडगिल और आल इंडिया कांग्रेस कमेटी के जनरल सेक्रेटरी श्रीयुत श्रीमन्नारायण अग्रवाल ने भारत सरकार को इस प्रकार की सूचना दी थी कि वागा बार्डर से जो सोने की स्मगलिंग होती है वह मुख्य रूप से यही व्यक्ति करते हैं। क्या इस की सूचना भारत सरकार को मिल चुकी थी ?

The Minister of Finance (Shri T. T. Krishnamachari): No; we have no information.

Shri Kapur Singh: I am surprised that the hon. Minister of Finance is saying that he has no information. There have been criminal prosecutions going on, upto the Supreme Court, on these allegations concerning Governor's reports publicly being made. Yet, he says he has no information.

अध्यक्ष महोदय : माननीय सदस्य ने जो यह कहा कि श्री गाडगिल और श्रीयुत श्रीमन्नारायण ने यह इतला उन को पहले दे दी थी, इसका जवाब उन्होंने दिया।

Shri Kapur Singh: The question is whether Government have any information that this smuggling was going on, on the basis of reports received.

अध्यक्ष महोदय : सवाल जो है साफ है।

श्री प्रकाशवीर शास्त्री : मैं जानना चाहता हूं कि यह जो कार पकड़ी गई है जिस में सोना और नकद मिला है, क्या उस से सम्बन्धित कुछ और रहस्यों की जानकारी सरकार को मिली है इस प्रश्न के विवरण में। यदि हां, तो वह क्या है ?

Shri T. T. Krishnamachari: So far as the information that I have in my possession is concerned, I have no information that there is anything mysterious there beyond what has been found. So far as the question of the vehicle is concerned, this a matter which is being inquired into by the Bombay police.

श्री प्रकाशवीर शास्त्री : मैं समझता हूं कि मैं अपने प्रश्न को समझा नहीं पाया।

अध्यक्ष महोदय : माननीय सदस्य जानना चाहते हैं कि इस ट्रक को पकड़ने के बाद क्या और भी किसी सीक्रेट बातों का या कांस्पिरेसीज का पता चला है जानकारी हासिल करने के सिलसिले में।

Shri Rameshwar Sahu: There is no such thing.

श्री गुलशन : मैं जानना चाहता हूं कि यह जो गाड़ी तस्करी करती हुई पकड़ी गई है उस में जो सोना पाया गया था या नोट पाये गये, उस के बारे में क्या सरकार ने यह भी जांच की कि वह सोना किस देश का था।

योजना मंत्री (श्री ब० रा० भगत) : यह पता नहीं चला है कि वह किस देश का सोना था।

Shri Solanki: Was this car going from Punjab to Maharashtra, or from Maharashtra to Punjab?

श्री ब० रा० भगत : वह महाराष्ट्र में था, वहां से कहां जा रहा था, इस का पता नहीं है।

Shri C. K. Bhattacharyya: May I know whether the driver of the car has been interrogated, and what statement has been secured from him, as is usually done in such cases?

Shri Ranga: Was he a Punjabi or a Maharashtrian?

Shri B. R. Bhagat: All these investigations are done by the State Government. The statement may be there, but we do not have the information.

Shri Ranga: You do not want to give it to us.

Shri Umanath: It was openly mentioned in the press that Shri Kairon was involved. I would like to know from the Government whether the investigation was directed against the possibility of Shri Kairon himself being involved; if not, is it because Shri Kairon was involved, that the investigation was not directed against him?

Shri T. T. Krishnamachari: The position is this. This a matter in which we are entirely dependent on the Punjab Government for information. All that the Punjab Government have told us is that the vehicle or truck that bears this name has been caught, carrying certain essential commodities without authorisation. Beyond that, we have no reply from the Punjab Government. Much as I realise that the hon. Members are anxious to know the details about it, I have not got the details.

Shri S. M. Banerjee: In respect of part (b) of the question, may I know whether it is also a fact that the truck or car with this number containing objectionable materials was captured near Rupar?

Shri T. T. Krishnamachari: We have information from the Punjab Government that the particular truck was caught carrying essential commodities without an authorisation. Beyond that, as I said, the Government have not got any information.

श्री द्वा० ना० तिवारी : क्या मैं जान सकता हूं कि मोटर वेहिकल्स ऐक्ट में या किसी कानून में ऐसी कोई धारा है कि जो आदमी अपनी गाड़ी बेच दे, किसी भी कुसूर के लिए वही जिम्मेदार हो ?

अध्यक्ष महोदय : यह सवाल आप ऐसा कर रहे हैं जिस का इस से सम्बन्ध नहीं है ।

श्री रामेश्वरानन्द : मैं जानना चाहता हूं कि जो ट्रक रोपड़ में पकड़ा गया था, उसी नम्बर का, वह प्रताप सिंह कैरों के किसी रिश्तेदार का था या उन के किसी यार-दोस्त का था ।

Shri T. T. Krishnamachari: My colleague has mentioned the name of the person to whom the truck belonged, and that is the information we have got from the Punjab Government. There is no point in asking for information which is not in my possession.

Shri D. C. Sharma: An officer from the Government of India was sent to Punjab to make follow-up enquiries regarding the Das Commission Report. May I know if some officer from Delhi will be associated with this enquiry, so that this enquiry becomes foolproof?

Shri T. T. Krishnamachari: I am not answering any question regarding the Das Commission Report.

Shri Ranga: Arising out of the question, can we not ask the Minister to send these questions put and answers given here today to the Punjab Government and ask them for further elucidation?

Mr. Speaker: We cannot ask that.

मेडिकल कालिजों में दाखिला

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*548. { **श्री म० ला० द्विवेदी** :
श्री स० चं० सामन्त :
श्री सुबोध हंसदा :
श्रीमती सावित्री निगम : }

क्या **स्वास्थ्य** मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या विभिन्न मेडिकल कालिजों में दाखिले के लिए पिछड़े क्षेत्रों के अभ्यर्थियों को कोई सुविधायें दी गई हैं तथा यदि नहीं, तो इसके क्या कारण हैं ;

(ख) क्या यह सच है कि मेडिकल कालिजों में दाखिले के मामले में नगरीय क्षेत्रों के अभ्यर्थियों को, पिछड़े क्षेत्रों के अभ्यर्थियों की अपेक्षा, मान्यता दी जाती है; और

(ग) यदि हां, तो क्या सरकार का विचार अलग-अलग प्रतियोगी परीक्षा करने का अथवा पिछड़े क्षेत्रों के अभ्यर्थियों को परीक्षा में विशेष सुविधायें देने का है?

स्वास्थ्य मंत्री (डा० सुशीला नायर) : (क) और (ख). पिछड़े क्षेत्रों के नाम से क्षेत्रों का कोई मान्यता-प्राप्त वर्गीकरण नहीं है, किन्तु असम, जम्मू और काश्मीर, मैसूर, उत्तर प्रदेश, पंजाब और केरल राज्यों में रिजर्वेशन है और वह इस प्रकार है :—

असम : 12 प्रतिशत पहाड़ी अनुसूचित जन जातियों के छात्रों के लिए;

10 प्रतिशत मैदानी क्षेत्रों के अनुसूचित जन जातियों के छात्रों के लिए ।

पंजाब : अमृतसर और रोहतक के मेडिकल कालेजों में 10 प्रतिशत सीटें पिछड़े क्षेत्रों के उम्मीदवारों के लिए आरक्षित रहती हैं ।

उत्तर प्रदेश : आगरा के मेडिकल कालेज में 5 सीटें पहाड़ी क्षत्रों के उम्मीदवारों के लिए आरक्षित रहती हैं और 4 सीटें उत्तराखण्ड डिविजन के उम्मीदवारों के लिए। मेडिकल कालेज, लखनऊ में 5 सीटें पहाड़ी क्षेत्रों, जिन में उत्तराखण्ड डिविजन सम्मिलित नहीं है, के लिए आरक्षित हैं ।

अन्य सभी कालेजों में, जहां तक ज्ञात है, पिछड़े क्षेत्रों के उम्मीदवारों के लिए कोई आरक्षित सीटें नहीं हैं । नगर क्षेत्रों के उम्मीदवारों को कोई प्राथमिकता नहीं दी जाती है; केवल हैदराबाद के उस्मानिया मेडिकल कालेज में 30 प्रतिशत सीटें हैदराबाद शहर के उम्मीदवारों के लिए आरक्षित बतलाई गई है ।

(ग) मैडिकल कालेजों में दाखिला सर्वथा योग्यता के आधार पर दिया जाता है और जब कुछ राज्यों में उन्हें सविधायें देने के लिए सीटें आरक्षित की गई हैं तो यह उचित नहीं लगता कि उनके लिए अलग प्रतियोगी परीक्षाओं का आयोजन किया जाये । दाखिला सामान्यतः थ्री-मेडिकल अथवा इण्टरमीडिएट साइंस परीक्षाओं में प्राप्त अंकों के आधार पर दिया जाता है ।

श्री म० ला० द्विवेदी : क्या मंत्री महोदया को यह मालूम है कि शहरी क्षेत्रों के लड़के प्रतिस्पर्धी में देहाती क्षेत्रों के लड़कों से आगे निकल जाते हैं क्योंकि उन के साथ कुछ पक्षपात का व्यवहार या कुछ अन्य सुविधाएं रहती हैं पढ़ने, लिखने आदि की, तो शेष बालक जिन को समान अधिकार नौकरी प्राप्त करने का और कालिज में भरती होने का अधिकार प्राप्त है उनको भी विशेष सुविधा देने का प्रयत्न यह सरकार क्यों नहीं करती है ?

डा० सुशीला नायर : श्रीमन्, समान अवसर सब को दिया जाता है और मैं माननीय सदस्य की सेवा में यह भी निवेदन करना चाहती हूं कि डाक्टर जब ढूंढने जाते हैं तो शहर का लड़का डाक्टर बना है कि गांव का, अपनी जाति का या किसी और जाति का, यह कोई देखने नहीं जाता है । अच्छा डाक्टर ढूंढते हैं

Shri D. C. Sharma: Sir, on a point of order. She just now said that in Hyderabad 30 per cent are reserved for people belonging to Hyderabad. In other medical colleges seats are reserved for backward classes and there is a percentage reserved for others also. She says 'saman' opportunity, equal opportunity. How can she say that there is equal opportunity when she has herself given so many exceptions which are prevailing in the medical colleges in Hyderabad, in Punjab and in other places.

Mr. Speaker: That is all in accordance with the constitutional provisions.

श्री म० ला० द्विवेदी : मैं यह जानना चाहता हूं कि क्या मंत्री महोदया को यह मालूम है कि देहाती क्षेत्रों के लड़के शहरी लड़कों के अधिक प्रतिभावान और योग्य होते हुए भी कई कारणों से वहां पर प्रतिस्पर्धा परीक्षाओं में उत्तीर्ण नहीं हो पाते, जब कि वे उन से अच्छे डाक्टर साबित हो सकते हैं तो भी देहाती क्षेत्रों के छात्रों के लिए सुविधा नहीं दी जाती; आखिर इस का क्या कारण है ?

डा० सुशीला नायर : हमारे पास कोई ऐसा मापदंड नहीं है जिससे कि हम उन की प्रतिभा माप सकें । हमारे पास जो मापदंड मौजूद है उसी मापदंड के अनुसार काम किया जा रहा है ।

श्री म० ला० द्विवेदी : क्या देहात में भी कोई कालिज आपने बनाया है ?

अध्यक्ष महोदय : आर्डर, आर्डर । श्रीमती सावित्री निगम ।

Shrimati Savitri Nigam: It has been quite obvious by the reply given by the Minister that different types of reservations are prevalent in different areas. May I know why a sort of a comprehensive plan is not chalked out to give the proper type of reservations of the same type to the backward classes?

Mr. Speaker: We should not enter into any arguments now; we should ask only for information.

Dr. Sushila Nayar: So far as the Government of India is concerned, our advice to the State Governments is very clear, that besides the constitutional reservations for the scheduled castes and tribes, all other admissions should be strictly in terms of merit.

Shrimati Savitri Nigam: Even for scheduled castes and tribes, sometimes it is 10 per cent and sometimes 15 per cent and so on.....

Mr. Speaker: It is becoming difficult. Shrimati Nigam's questions are not answered properly!

Shrimati Yashoda Reddy: Osmania University is a Central university. Has any information reached the Government of India that because of the reservation in the Osmania University for the mulkis, many children of the officers who have gone from Madras and other places after the States' reorganisation are not able to get admission in these colleges? Just because they are not *mulkis*, they do not have any other go. Is the Government prepared to do something for those people who are not *mulkis*?

Dr. Sushila Nayar: All that I can say is that the Osmania medical college was started under certain conditions by certain authorities and they made those reservations. Probably, there was some contribution, etc., also. 70 per cent seats are available for others in this college. Apart from that, there are seven other medical colleges in Andhra Pradesh; it is a higher proportion than in any other State of the Union and the boys can compete for the seats.

Some hon. Members *rose*—

Dr. Sarojini Mahishi *rose*—

Mr. Speaker: Ladies are confronting Dr. Sarojini Mahishi.

Dr. Sarojini Mahishi: From the point of view of economic and educational backwardness, now that all the women have been placed as backward by the Backward Classes Commission Report, may I know what percentage

of seats are being reserved for women in all the medical colleges?

Dr. Sushila Nayar: I am quite sure that the hon. Member does not agree that all women are backward. May I say that while some States had made 20 per cent reservation for women students, on their own merit, girls are getting admission up to 40 to 50 per cent and even more in many medical colleges?

श्री ओंकार लाल बेरवा : जैसा कि अभी मंत्री महोदया ने उत्तर प्रदेश, पंजाब आदि सभी राज्यों के मेडिकल कालिजों में पिछड़े क्षेत्रों के उम्मीदवारों के दाखिले के लिए कोटा बतलाया है, तो राजस्थान के मेडिकल कालिज में इस तरह का उन के वास्ते कोई कोटा न रखने का क्या कारण है ?

डा० सुशीला नायर : श्रीमन्, मुझे हर्ष है कि राजस्थान के लोग ज्यादा अच्छे तरीके से अपना सैलेक्शन करते हैं और इस किस्म के कोटे और रिजरवेशन में नहीं पड़ते ।

Shri Kapur Singh: Are Government aware that the general demand for pursuing medical studies, as also engineering, far outstrips the facilities available in the country, particularly in the Punjab, and, if so, do Government propose to take any action in regard to that?

Dr. Sushila Nayar: It is proposed to have 30 more medical colleges in the Fourth Plan.

Shri Kapur Singh: How many in the Punjab?

Dr. Sushila Nayar: I am not in a position to say.

Shrimati Akkamma Devi: Keeping in mind the low percentage of literacy among women in general, and as there are brilliant girls is rural areas, may I know whether Government will allot a certain percentage of seats to girls from rural areas, district-wise?

Dr. Sushila Nayar: There is no proposal to do this

Shri Raghunath Singh: All seats should be reserved for ladies, I think!

Mr. Speaker: Next question.

जीवन बीमा निगम द्वारा विनियोजन

*549. **श्री विभूति मिश्र :**
श्री क० ना० तिवारी :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) जीवन बीमा निगम ने बम्बई, कलकत्ता, मद्रास तथा दिल्ली में गैर-सरकारी क्षेत्र में कितना धन विनियोजित किया था यह निगम के कुल धन का कितना अंश है: और

(ख) क्या सरकार ने इसका ध्यान रखने की कोई योजना बनाई है कि निगम का धन देश के नगर तथा ग्रामीण क्षेत्रों की विकास परियोजनाओं में भी विनियोजित हो ?

योजना मंत्री (श्री ब० रा० भगत) : (क) —

नगर	31-3-1964 को लगी हुई रकम	कुल रकम का अनुपात
	(करोड़ रुपये)	(प्रतिशत)
बम्बई	36.68	4.16
कलकत्ता	30.63	3.48
मद्रास	2.68	0.31
दिल्ली	3.25	0.37
जोड़ .	73.25	8.32

(ख) जी, नहीं ।

श्री विभूति मिश्र : अभी मंत्री जी ने जो उत्तर दिया उससे मालूम होता है कि बीमा कम्पनी का जितना पैसा है यह चार बड़े

नगरों बम्बई, कलकत्ता, मद्रास और दिल्ली में खर्च होता है, मैं जानना चाहता हूं कि देहात वालों के लिए कितना परसेंट आप खर्च करते हैं ?

श्री ब० रा० भगत : यह अनुमान निकालना सही नहीं है क्योंकि यह जो प्राइवेट सेक्टर में खर्च होता है उसके लिए यह बात सही है कि इन चार शहरों में लगभग आधे के हैं मगर जो लाइफ़ इंशोरेंस की बहुत बड़ी पूंजी यानी क़रीब क़रीब 85 फ़ीसदी जितनी पूंजी है वह तो गवर्नमेंट सिक्योरिटीज़ में जाती है, हाउसिंग कारपोरेशन में जाती है और कोआपरेटिव सोसाइटीज़ के लिए और मोर्टगेज बैंक्स के लिए होती है और अगर आप इन सब को मिला कर देखेंगे तो यह अनुमान करना कि केवल वह शहरों में ही खर्च होता है, वह सही नहीं निकलेगा ।

अध्यक्ष महोदय : माननीय सदस्य ने यह भी पूछा था कि देहातों में कितनी खर्च होता है ?

श्री ब० रा० भगत: देहातों के लिए इस समय अनुमान लगाना ज़रा मुश्किल है ।

श्री विभूति मिश्र : अभी मंत्री महोदय ने बतलाया कि बम्बई, कलकत्ता आदि में 75 करोड़ रुपये खर्च होते हैं और देहातों के लिए इनडाइरेक्ट वे में बतलाया कि वहां पर भी खर्च होता है, मैं जानना चाहता हूं कि हमारा देश गांवों का देश है और करीब देश की 80 फ़ीसदी आबादी देहातों में रहती है तो इन देहातों के लिए सरकार ने क्या खर्च किया है और क्या सरकार की आगे के लिए कोई योजना है कि किसानों को डाइरेक्टली बीमे की मद से रुपया कर्ज दिया जाय ताकि उनके डैवलपमेंट के कामों में और खेती के सुधार के कामों में प्रगति हो सके ?

श्री ब० रा० भगत : उनको दूसरी मदों से कर्ज़ दिया जाता है । सबसे बड़ा भाग अर्थात 477 करोड़ रुपया गवर्नमेंट सिक्योरिटीज़ में जाता है और गवर्नमेंट की ओर से किसानों को कर्ज़ और सहायता दी जाती है ।

श्री विभूति मिश्र : अध्यक्ष महोदय, मेरे साल का जबाब नहीं दिया गया है । सरकार की और मदों की अलग बात है । मैं तो यह जानना चाहता हूं कि बीमा निगम के रुपये का कितना फ़ीसदी किसानों की उन्नति के लिए ख़र्च किया जाता है ।

श्री ब० रा० भगत : बीमा निगम के द्वारा ख़र्च करने का सवाल नहीं है ।

The Minister of Finance (Shri T. T. Krishnamachari): I would like to correct the hon. Member.

Shri A. P. Jain: Which Member, your colleague or the other hon. Member?

Shri T. T. Krishnamachari: He says that the money has been spent in Bombay, Calcutta and Madras. The hon. Member must have noted that the amount invested in Madras is only Rs. 2·69 crores which is the lowest of the four regions. Even Delhi gets more. But the point which the hon. Member should understand is that this is merely a question of investment with regard to the private setcor according to the availability of scrips. I do not know if the scripts of stocks and shares concerning rural areas are available for LIC investment. In any event, so far as this question of LIC investment is concerned, though we can give the information, Government have not given them any directive as to how this is to be invested. So far as the rural areas are concerned, the investment has to be in some other direction like housing and various other directions. Considering the fact that the bulk of LIC investment of LIC funds happen to be in Government securities, one has to depend upon the Government to spend the money in rural areas.

श्री क० ना० तिवारी: मंत्री महोदय ने अभी बताया है कि हाउसिंग वगैरह पर खर्च होना है। मैं जानना चाहता हूं कि एल० आई० सी० की आमदनी देहाती क्षेत्रों से कितनी है और उस का रुपया वहां पर हाउसिंग स्माल स्केल इंडस्ट्रीज और दूसरे कामों पर कितना खर्च किया जाता है।

Shri T. T. Krishnamachari: So far as the information asked for is concerned, I must ask for notice. Secondly, as I said, there is no directive or even an understanding that the investment should be in relation to the source from which you get. If that is so, the LIC might perhaps claim that the amount that is invested in Government securities is the largest, therefore, if the Government invest the money in rural areas. The question of LIC directly investing in rural areas is not before them because they have no means of investing them in rural areas.

Shri K. D. Malaviya: Is there any concrete formulated policy of investment of LIC funds about which the Government have come to any decision or is it the policy of the Government to invest all its money or a substantial part of the money only in government papers?

Shri T. T. Krishnamachari: So far as the policy in regard to investment of LIC funds is concerned, the House is fully aware of it. I think in August 1958 a paper was placed on the Table of the House. The LIC have been told that there are restictions in regard to LIC investment in private sector which I think is 27 per cent of the total amount they have. Actually the amount invested is only of the order of 20 per cent to 21 per cent. The rest of it happens to be investment in regard to mortgages and other things of policy-holders. But, as I said, the bulk of it is in Government paper. The hon. Member is perfectly at liberty to ask how the Government invest the money which they get from LIC in Government paper. That is a different thing altogether.

Shri Jaipal Singh: Years ago we were assured in this House that investment by the LIC in the private sector would be principally with a view to stabilising the efforts in the private sector and that it would not be speculative—just making money by buying and selling shares. May I know how far this has been observed strictly?

Shri T. T. Krishnamachari: As I said, the investment policy of the LIC is for the purpose of acquiring income so as to enable them to pay bonus to their policy holders. The question of any stabilisation of the private sector is only secondary and incidental, but the primary thing is that they have to earn a certain amount of money so that their endowment policies will produce some kind of bonus; otherwise there will be no meaning in their selling government papers.

Shri Jaipal Singh: There have been instances of the LIC investing in the private sector where there is plenty of black money. Everybody knows that LIC offers black money shares at fantastic premium prices. That is happening. I want to know what the Government are doing to counter or check that type of speculative activity.

Shri T. T. Krishnamachari: There is a lot of information which the hon. Member has given to me about which I am not aware of. But I stick to my original answer that LIC invests for the purpose of earning income and there is no other intention, so far as they are concerned, to our knowledge

श्री भागवत झा आजाद: यह मानते हुए कि जीवन बीमा निगम के द्वारा जो पूंजी सरकारी सिक्यूरिटीज में लगाई जाती है, उसका अप्रत्यक्ष लाभ देश को पहुंचता है, लेकिन क्या सरकार एक भी ऐसा उदाहरण दे सकती है कि किसी क्षेत्र में जीवन बीमा निगम की पूंजी जनता के प्रत्यक्ष लाभ के लिए लगाई गई हो ?

श्री ब० रा० भगत : जैसा कि वित्त मंत्री ने कहा है कि उस का एक बहुत बड़ा अंश गवर्नमट पेपर में है और यह बात गवर्नमेंट के लिए है कि वह जनता के लाभ के लिए रुपया ख़र्च करें ।

श्री भागवत झा आजाद:मैं यह जानना चाहता हूं कि क्या प्रत्यक्ष रूप से वह रुपया लगाया गया है ।

अध्यक्ष महोदय : अगर मिनिस्टर साहब नहीं बता सकते, तो नहीं लगाया गया होगा ।

श्री ब० रा० भगत: प्रत्यक्ष रूप में तो थोड़ा ही है, जैसे लैंड मार्गेज में 15 करोड़ रुपया लगाया गया है । अप्रत्यक्ष रूप से बहुत काफ़ी है ।

Shri Ramanathan Chettiar: May I know the total premia that has been obtained from the Southern zone? What are the reasons for the two investment in that zone?

Shri T. T. Krishnamachari: So far as the premium income is concerned, I would like to have notice. I do not have that figure with me. So far as the low investment in the Southern region is concerned, perhaps there is low activity there.

Kerala Family Planning Scheme

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*550 { **Shri P. R. Chakraverti:** / **Shrimati Savitri Nigam:** / **Shri Pottekkatt:** / **Shri A. V. Raghavan:** }

Will the Minister of **Health** be pleased to state;

(a) whether the Union Government have endorsed the Family Planning Scheme outlined by the Kerala Government on a "crash programme" basis, with the utimate aim of reducing the birth rate by half in a decade;

(b) whether similar schemes are being devised for the different States in the context of local taboos and practices;

(c) whether Government have studied the Family Planning technique resorted to by the tribal population of Attapadi in Palghat district of Kerala, through the use of a herb; and

(d) if so, whether the particular herb can be brought into wider use?

The Deputy Minister in the Ministry of Health (Shri P. S. Naskar): (a) The Government of Kerala issued orders on the 20th March, 1964, for the reorganisation of the State Family Planning Programme in accordance with the instructions of the Government of India.

(b) Other States have also been requested to take similar action and a number of them have already initiated measures on the lines suggested.

(c) and (d). The Government have not studied family planning techniques resorted to by the tribal population of Attapadi in Palghat. Some herbs reported to have been used by the tribal people are being obtained for investigation.

Shri P. R. Chakraverti: May I know whether Government have examined different types of taboos and also inhibitions which stand in the way of acceptance of those schemes introduced by the Government?

The Minister of Health (Dr. Sushila Nayar): There are a large number of research schemes that are being acried on in different parts of the country. One of the subjects that they are studying is the very subject which the hon. Member has raised.

Shri P. R. Chakraverti: What are the prospects of the use of the indigenous methods which are still obtaining in different parts of India?

Dr. Sushila Nayar: Whenever we learn of any indigenous method we immediately try to study it as thoroughly as possible. This reported herb, as my colleague has already stated, is being collected for study by our institutions and I understand that the Government of Kerala is also studying it.

Shrimati Savitri Nigam: In view of the fact that some of the areas and States have been lagging behind in accepting and popularising the family planning programmes, may I know what special steps the Government are taking to make those areas come up to the mark and what special facilities are being provided in those areas?

Mr. Speaker: The question does not relate to family planning in general in all the States; it relates only to family planning in Kerala. Shri Yashpal Singh.

Shrimati Savitri Nigam: Part (b) of my question is about Kerala.

श्री यशपाल सिंह : क्या सरकार ने इस बात पर ग़ौर किया है कि केरल में करोड़ों रुपया ख़र्च करने के बावजूद वहां की पापुलेशन प्राबलम हल नहीं हो रही है और अगर यह रुपया किसान को सबसिडी के रूप में दिया जाता, तो अनाज की प्राबलम हल हो जाती ।

अध्यक्ष महोदय : श्री रामेश्वरानन्द ।

श्री रामेश्वरानन्द : सरकार जो इस विधि पर केरल में इतना व्यय कर रही है क्या इस व्यय की अपेक्षा वहां के नर नारियों को ब्रह्मचर्य की शिक्षा दी जाए, इस पर भी सरकार ने विचार किया है, कोई इस बारे में भी सरकार यत्न करेगी ?

Dr. Sushila Nayar: The education for brahmacharya, high moral standards etc. is firstly, the responsibility of the parents, secondly, of the teachers and, perhaps thirdly, of the leaders of the nation like Swamiji.

Shrimati Ramdulari Sinha: Is there any proposal to establish a family planning institute in the capital; if so, what is the progress made so far?

Shri P. S. Naskar: There is one family planning institute in Delhi.

Shri Basumatari: Is it a fact that some sections of the people, that is, the minority community, are not accepting the family planning programme; if that is so, what steps has the Government taken to popularise family planning among them to check the population growth?

Dr. Sushila Nayar: I submit in all humility that it is not a matter which should be made into a communal issue. There are backward people in every community who refuse to follow it and there are sensible people who follow it in all communities.

Shri Kapur Singh: Before embarking on a "crash programme" of lowering the birth rate in Kerala, have the Government got examined properly the factors responsible for the extra-ordinary fecundity, which is almost the highest in the world, of the Kerala *homo sapiens*? That is the basic question.

Dr. Sushila Nayar: I really could not catch what the hon. Member wants to know. The birth rate in India is relatively high as it has been in many other countries before they lowered it as a result of higher standard of living, education and motivation for small families.

Shri Kapur Singh: Is it not a fact that the Kerala birth rate is the highest in the world; if so, why?

Mr. Speaker: That is the second question. Shri A. P. Jain.

Shri Kapur Singh: No, Sir; that was my first question.

श्री अ० प्र० जैन : अब तो देश में साधू समाज बहुत अच्छा तरह से संगठित है । क्या आपके मंत्रालय ने इस बात का कोई प्रयत्न किया है कि साधू समाज से या दूसरे साधुओं से इस मामले में सहायता ली जाए ? अगर ऐसा प्रयत्न किया है तो उसका क्या नतीजा निकला है ?

डा० सुशीला नायर: साधू समाज से सीधा तो कोई पत्र-व्यवहार नहीं हुआ है । लेकिन कहीं कहीं पर प्रचार करने वाले, कीर्तन वाले साधू स्वामी हैं तथा दूसरे लोग हैं जो बहुत अच्छी तरह से इस विषय में प्रचार करते हैं और समझाते हैं ।

Irrigation Projects

*551. **Shri S. N. Chaturvedi:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether the execution of irrigation and drainage projects is held up in certain States because of inadequte allotment of cement by the Central Water and Power Commission;

(b) if so, to what extent the demands of the various States have been met; and

(c) the steps Government propose to take to meet their full requirements?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) The Central Water and Power Commission sponsors allotment of cement to Irrigation and Power projects which cost more than Rs. one crore and the Ministry of Industry makes the bulk allocation against that demand. No work on any of the projects has been held up due to inadequate allotment of cement. However due to shortage of cement, demands of I&P projetcs could not be met in full and this affected the speed of construction of Projects.

(b) Demands of the State Governments for Irrigation and Power projects during the current quarter (October-December, 1964) were of the order of 6·70 lakh tonnes, against which about 4.08 lakh tonnes could be allotted. Allocation for the first quarter of 1965 has since been made which is 4·05 lakh tonnes against the demand of 8·81 lakh tonnes received from the State Governments and project authorities.

(c) Efforts are being made to have the bulk allotment made for Irrigation and Power projects enhanced.

Shri S. N. Chaturvedi: May I know whether complaints have been received from the States, particularly from UP, that the supply allotted for irrigation and power projects by the Central Water and Power Commission is substantially less than the orders placed on them and that even those supplies are not available with the supplies which is greatly hampering and delaying the execution of the works?

Dr. K. L. Rao: It is quite true that on account of the shortage of cement in the country only 60 to 70 per cent of the demand is allotted. I have received quite a number of complaints and I am aware that in particular in UP projects like the Ramganga are suffering for want of cement.

Shri S. N. Chaturvedi: When these projects are sanctioned, what does planning come to if supplies even for Government projects are not available at the time they are needed?

Dr. K. L. Rao: The question is bound up with the targetted planning for cement. The original target of cement in the Third Plan was about 15 million tonnes at the end of the Third Plan. Unfortunately, it has fallen short by about 2 million tonnes and it is reflected again in these projects.

Shri Narasimha Reddy: May I know whether the delay in execution of some at least of these irrigation projects, at any rate, in Andhra, is due not to any inadequacy of cement but due to a plentiful supply of political chicanery consequent on group politics as, for instance, the Bahuda Project in Chittoor District which is a fully sanctioned project and for which Rs. 36 lakhs were allotted by the Central Government?

Mr. Speaker: Here we have to deal with inadequacy of cement.

Shri Nambiar: It is political chicanery supply.

Shri Ranga: May I know, when Government claims to be giving the highest possible priority for the development of irrigation as well as drainage projects, why is it Government have not thought it advisable, if necessary, to import some cement and give priority for these projects so that all these projects can be executed as per their own programme?

Dr. K. L. Rao: As it is, the major irrigation and power projects get one-sixth of the total production in the country. There are so many other demands and due to many other considerations of foreign exchange and so on, we are not getting cement at the moment.

Shri Ranga: Has any effort been made by the Ministry concerned to ask for priority in the supply of cement?

Mr. Speaker:. He says, there is the shortage of foreign exchange.

Shri Ranga: It depends upon the pressure this Ministry puts on the Finance Minister.

श्री तुलसी दास जाधव : सरकार को तो इन कामों के लिए सिमेंट मिलता नहीं है लेकिन ब्लैक मार्किट में जितना आप चाहें मिल जाता है । मैं जानना चाहता हूं सिमेंट कहां से आता है ?

Dr. K. L. Rao: I would not say that

Shri U. M. Trivedi: In view of the fact that there is shortage of cement, will the Government explain how it is that licences issued for installation of cement factories all over India have been cancelled to a very great extent and new licences are not being given for this? Why is this obstruction taking place?

Dr. K. L. Rao: This is a question for the Ministry of Industry. I am afraid I do not know that.

Shri A. P. Sharma: There is the shortage of food in this country and irrigation is the most important necessity to increase the food production. What special scheme has Government in view to provide minimum irrigation facilities in those areas in Bihar particularly in the district of Shahabad where the food crop can be trebled and the area can be made surplus in food production?

Dr. K. L. Rao: So far as irrigation and power projects are concerned, we try to give priority in the cement allocation to those projects which are nearing completion and which are showing good progress and so on. Apart from that, I am afraid, I will not be able to say anything about it.

Shri Nath Pai: Does the hon. Minister realise, when he replied that because there is paucity of foreign exchange and they cannot import cement,—the reply which was whispered in his ears by his senior colleague was that it was begging the question—that because there is no cement, irrigation projects are not executed and because they are not completed, the food production targets are not reached and because the targets are not reached, we start importing foodgrains and so on? Would he try to give a better reply instead of just trying to run away from it?

Dr. K. L. Rao: No project is being stopped or held up.....

Shri Nath Pai: Earlier he said that 60 to 70 per cent of the demand is allotted.....

Dr. K. L. Rao: All that is happening is that the construction of the projects is getting affected.....

Shri Ranga: What he says now contradicts what he had earlier admitted.

Shri Nath Pai: He said only 60 to 70 per cent of the demand is allotted.

Dr. K. L. Rao: What I was trying to say was that no project is held up. What is being done is that we are try-

ing to distribute cement that is available in as judicious a manner as possible and we are trying to see that the projects which are in advanced stages of production, in advanced stages of completion, are accelerated and those projects which have not started or which are in the beginning stage, are given less importance.....

Shri Ranga: Therefore, it is being delayed.

Dr. K. L. Rao: One has got to do all these things when one is faced with scarcity and when there are many other demands like Defence and so on, I suppose.

Shri Nath Pai: How does he reconcile with his earlier reply?

Mr. Speaker: It is not for me to comment.....

Shri Ranga: That means, his Ministry is not effective in getting priority.

Mr. Speaker: I cannot offer any comments on that.

Shri P. C. Borooah: May I know the reasons for the delay in the preparation of the master plan for tackling the colossal problem of erosion and floods in Assam, and whether this delay is due to shortage of cement also?

Dr. K. L. Rao: The main question relates only to cement. The hon. Member is talking about erosion and flood control in Assam. That is a separate question.

Mr. Speaker: That is not relevant here.

Power Rates in New Delhi

*552. **Shri Bhagwat Jha Azad:** Will the Minister of **Health** be pleased to state:

(a) whether the New Delhi Municipal Committee has raised the rate of power supply with retrospective effect; and

(b) whether it has severely affected the consumers at large?

The Deputy Minister in the Ministry of Health (Shri P. S. Naskar): (a) A statement is laid on the Table of the Sabha.

(b) No, Sir.

STATEMENT

The New Delhi Municipal Committee holds Electric Licence under the Indian Electricity Act and purchases electrical energy from the Delhi Electric Supply Undertaking for distribution of the same in its area. Electricity is distributed by the New Delhi Municipal Committee to the following five categories of consumers:—

1. Light and fans (Domestic and Commercial)
2. Power/domestic
3. Power/commercial
4. Road lighting
5. Bulk supply to large consumers.

There has been no change in the rate in so far as the first four categories are concerned except for the levy of one paisa per unit imposed by the Delhi Municipal Corporation on electricity with effect from 1-7-1959. In so far as category (5) is concerned, the rate of electricity supply has to vary as per DESU's rate. This year also the DESU intimated the provisional rate of 9.25 paise per unit for the year 1964-65 as against 8 paise per unit for 1963-64 and accordingly the New Delhi Municipal Committee had to revise its bulk supply rate with effect from 1st April, 1964 subject to further adjustment on finalisation. The revision of the rate of this category of consumers has always to be made with retrospective effect because the actual cost of supply which is worked out by the DESU cannot be finalized till the accounts of that year are closed and audited.

श्री भागवत झा आजाद : इस विवरण के अनुसार प्रथम चार श्रेणियों पर तो सिर्फ 1 न०

पैं० प्रति यूनिट लगाया गया है, लेकिन पांचवीं श्रेणी जिसका सम्बन्ध इस दिल्ली शहर के 95 प्रतिशत नागरिकों से है उस पर बहुत बड़े रूप में लगाया गया है । मैं जानना चाहता हूं कि इस के क्या कारण हैं कि जब प्रथम श्रेणी के उपभोक्ताओं के ऊपर, जो कि साधारणत: अच्छे क्लास के हैं, अधिक नहीं लगाया गया है, तब पांचवीं श्रेणी के ऊपर जो साधारणत: निम्नश्रेणी के लोग हैं, इतना पैसा लगाया गया है ।

Shri P. S. Naskar: This increase of one paisa per unit has been made in the case of four categories only, which have been mentioned in the statement. The Delhi Municipal Corporation was imposing an electricity levy of one paisa per unit with effect from 1st July, 1959. That is collected by the NDMC and remitted to the Delhi Municipal Corporation. But as regards category 5, that is, bulk supply to large consumers the term 'large consumers' does not mean that 75 per cent of the population is involved. It only means the consumers who use electricity in bulk; there are only 55 such consumers in the NDMC area. The rate charged on them by the DESU varies, because the rate is fixed up at the end of the financial year. But before the final rate is fixed, some provisional rate is mentioned. This year, as the hon. Member has said, 9.5 paise per unit has been mentioned in the contract between the NDMC and the bulk suppliers, and there is a clause in the agreement that the rate would be varied after the end of the financial year.

श्री भागवत झा आजाद : अध्यक्ष महोदय, मैंने पूछा आम, जवाब मिला इमली । उन्होंने अपने प्रथम बयान में जो कुछ कहा वही तो मैंने खुद कहा है कि मैं जानता हूं कि 1 नया पैसा उन चार श्रेणियों के उपभोक्ताओं पर लगाया गया जो साधारणत: अच्छे हैं । मैंने कारण जानना चाहा कि पांचवीं श्रेणी के लोग हैं जिन को विवरण में बल्क कंज्यूमर्स कहा गया है, उनकी बिजली की जो दर बढ़ाई जा रही है, उस का क्या कारण है । उस का कोई कारण जानने को नहीं मिला और सदन का इतना समय लग गया ।

स्वास्थ्य मंत्री (डा० सुशीला नायर) : माननीय सदस्य की समझ में कुछ फेर हुआ है क्योंकि जो पहली चार श्रेणियां हैं, लाइट और फैन, उन को गरीब से गरीब आदमी भी इस्तेमाल करता है । डोमेस्टिक पावर, कामर्शल पावर, रोड लाइटिंग सर्वमान्य सम्पन्न आम जनता इन चार केटेगरीज में आ जाती है । पांचवीं कटेगरी जो है, उन लोगों के बड़े बड़े कारखाने चलते हैं और बहुत बड़ी बड़ी, बल्क सप्लाई में वह बिजली लेते हैं । उनका रेट पहले से ही इस प्रकार से है कि सामान्यत: लोगों को जो बिजली मिलती है उस से उनको सस्ती मिलती है । फिर उनको उसमें से कमाई भी होती है, नफा होता है । सरकार को आखिर यह भी तो देखना है कि जो लोग नफा कमाते हैं उन पर बोझ पड़े बजाय इसके कि सर्वसामान्य नागरिकों पर बोझ पड़े ।

श्री भागवत झा आजाद : इस में कहा गया है कि बल्क कंज्यूमर्स के लिये इस वर्ष भी यानी 1964-65 में 8 नये पैसे के बजाय 9.25 नये पैसे हो जायेंगे, और यह कहा गया है कि हम नहीं कह सकते हैं कि इस वर्ष रिट्रास्पेक्टिवली लेंगे या कब से और कितना बढ़ायेंगे । मैं जानना चाहता हूं कि जो एलेक्ट्रिसिटी के उपभोक्ता इस शहर में हैं उनके लिए यह किस नियम या कानून के अन्दर कहा जाता है कि हम नहीं बतला सकते कि कब से होगा । जब लोग बिजली का उपयोग कर चुके होंगे तब बतलाया जायेगा कि हम बढ़ायेंगे या नहीं, यह किस नियम के अन्तर्गत है ?

डा० सुशीला नायर : उन लोगों के साथ जो करार नामा किया जाता है उसमें यह क्लाज

लिखा हुआ है । जैसा माननीय उप-मंत्री जी ने बतलाया जब डी० ई० एस० यू० ही हम को नहीं बतलाती कि क्या रेट लेंगे, तो एन० डी० एम० सी० कैसे पहले से बतला सकती है । इसलिए यह कहा गया कि अगर डी० ई० एस० यू० रेट बढ़ायेगी तो आप को भी ज्यादा देना पड़ेगा । यह लाइसेंस की धारा के अन्दर दाखिल किया हुआ है ।

श्री भागवत झा आजाद : हमारा सीधा सम्बन्ध डी० ई० एस० यू० से नहीं है । हमारा सीधा सम्बन्ध एन० डी० एम० सी० से है । अगर एन० डी० एम० सी०, डी० ई० एस० यू० से अपना प्रश्न हल नहीं करा सकती है तो यह कोई कारण नहीं है कि गलत नियम को वह हम उपभोक्ताओं पर भी लागू कर दे । वह अपना फैसला उस से कर ले । मैं जानना चाहता हूं कि एन० डी० एम० सी० किस नियम के अधीन अपने उपभोक्ताओं को मजबूर करती है और कहती है कि हम एक साल के बाद या डेढ़ साल के बाद इतना चार्ज करेंगे या रिट्रास्पेक्टिवली करेंगे । वह अपना फैसला डी० ई० एस० यू० से करें, हम पर क्यों ज्यादती करना चाहते हैं ।

श्री म० ला० द्विवेदी : मैं यह जानना चाहता हूं कि जब बल्क कंजयूमर्स जो लोग हैं वे अधिकांश में उद्योगों में लगे हुए हैं और जब कि हमारी नीति है कि उद्योग बढ़ाये जायें ताकि माल सस्ता हो, तो क्या कारण है कि उद्योगों पर इतना अधिक पैसा बढ़ाया जा रहा है । सरकार डी० ई० एस० यू० को रोकती क्यों नहीं है ?

अध्यक्ष महोदय : आप इन्फार्मेशन नहीं लेना चाहते । जब आप सवाल करें तो आपको इन्फार्मेशन लेनी चाहिये ।

श्री म० ला० द्विवेदी : मैं ने एक साधारण सा प्रश्न पूछा उद्योगपतियों के बारे में ।

डा० सुशीला नायर : उद्योगपतियों को पहले से ही काफी कंसेशन दिया जाता है । मिसाल के तौर पर लाइट और फन का इस्तेमाल करने वालों को 22 न० प० पर यूनिट देने पड़ते हैं, डोमेस्टिक पावर कामर्शल रेट पर . . .

श्री म० ला० द्विवेदी : मैं बल्क सप्लाई वालों के बारे में पूछ रहा हूं ।

डा० सुशीला नायर : जो बल्क सप्लाई वाले हैं उन को पहले 2000 यूनिट पर 18.5 पैसे, अगले 5000 यूनिट पर 15.3 पैसे, अगले 5000 यूनिट पर 12.3 पैसे और उसके बाद 11.5 पैसा, देने पड़ते हैं । इस तरह से उन को पहले से ही कम रेट पर दिया हुआ है ।

Shri D. C. Sharma: What are the tangible and intangible relationships of DESU with the breakdown of power supply in the city? Is it not a fact that the more the rates increase, the larger is the number of breakdowns of power supply and the greater the duration of the breakdowns?

Dr. Sushila Nayar: It is not possible for me to give any answer regarding breakdowns.

Shri Sham Lal Saraf: One point has remained unanswered, that is, why the raising of the rates retrospectively has been countenanced?

Dr. Sushila Nayar: I have explained that if at the end of the year DESU says 'we have revised the rates from the first of April', naturally the NDMC has to tell the consumers that the rates are subject to that contingency. The only other alternative is for the NDMC to charge them very high rates from the very beginning, which they would not like either.

Shri R. S. Pandey: In Delhi city, the electricity supply is less than the demand, and that is why the decision is taken to increase the rate. If this is so, what is the remedy? Is it going to be proposed to supply adequate electricity and reduce the rate?

Dr. Sushila Nayar: The question might very well be put to the concerned Ministry.

Shri Shiv Charan Gupta: May I know if there is any disparity in the rates prevailing in the New Delhi Municipal Committee area and in the Municipal Corporation area? If so, will Government take steps to bring about uniformity?

Dr. Sushila Nayar: Each local body is authorised statutorily to fix its own rates, and it fixes them according to its own expenditure.

River Boards

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*553. { **Shrimati Savitri Nigam:** / **Shri P. R. Chakraverti:**

Will the Minister of **Irrigation and Power** be pleased to state the steps taken by Government to establish River Boards as envisaged in Section 4 of the River Boards Act, 1956?

The Minister of Irrigation and Power (Dr. K. L. Rao): Creation of River Boards is not considered necessary at this stage. The matter is, however, being examined further.

Shrimati Savitri Nigam: What are the reasons which have led Government to think that they are not necessary?

Dr. K. L. Rao: There are two reasons in particular. These boards were intended for drawing up for the country planning and investigations of irrigation and power projects. For this, we have already got a very adequate body, namely the Central Water and Power Commission and the State organisations, and they are doing this work satisfactorily. It was not considered necessary to have a separate body again.

Then, again, under section 4 of the Act, it is necessary that the States must also agree to the setting up of these River Boards, and we find that a large number of States like U.P., Maharashtra, Mysore and so on, have objected to the setting up of these Boards.

Shrimati Savitri Nigam: Has it been brought to the notice of the Minister that there are still many untapped resources, that if such Boards are formed they would be able to make proper investigation on the spot and that the Central Water and Power Commission has not got so much resources at its command to reach each and every corner of the country?

Dr. K. L. Rao: It is considered more economical to strengthen the Central Water and Power Commission, if necessary, to carry out investigations in any particular place, but we find that most often the States are able to do the investigation and planning themselves. In the case of particular States like Assam where such facilities do not exist, if they make a request, the Central Government is prepared to undertake it.

Shri P. R. Chakraverti: May I know whether it is a fact that by and large the States are reluctant to have such Boards set up, and if so, whether Government proposes to annul this Act of 1957?

Dr. K. L. Rao: Quite so. This Act has not been used so far. So, it is really a matter for consideration whether there should be an amendment of the Act to make it more useful.

Shri Vidya Charan Shukla: Is it a fact that the Central Water and Power Commission has been found insufficient to deal with the inter-State power and irrigation problems and disputes, and that the River Boards were designed to solve these very things? How is the Government going to solve these problems which were supposed to be solved by these Boards, without creating them?

Dr. K. L. Rao: The River Boards were not intended to solve the inter-State problems. They have to be solved at the governmental level.

Shri P. C. Borooah: May I know whether it is the policy of the Government to take up flood control and

river valley projects where the State Government's resources are not adequate for the purpose; if so, what action Government is going to take in this respect?

Dr. K. L. Rao: I have already said that if the States which require assistance request for the investigation, planning or designs to be done by the Centre, we are prepared to take it up.

श्री ओंकार लाल बेरवा : जैसे कि कुछ राज्यों ने यह रिवर बोर्डस बनाना नहीं माना है, बनाने के बारे में आपत्ति की है तो केन्द्रीय सरकार ने क्या उन से यह जानने का यत्न किया है कि किस आधार पर उन्होंने यह रिवर बोर्डस बनाने के लिए मना किया है ?

Dr. K. L. Rao: Most of the States feel that the setting up of another advisory body like the River Board does not serve any purpose.

श्री ओंकार लाल बेरवा : कोई कारण भी तो उन्होंने बतलाये होंगे कि इस कारण से वह इसे नहीं बनाना चाहते ?

Expenditure by States

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*555. **Shri Kolla Venkaiah:**
Shri Harish Chandra Mathur:
Shri Bibhuti Mishra:

Will the Minister of **Planning** be pleased to refer to the reply given to Starred Question No. 95 on the 10th September, 1964 and state:

(a) whether the State Governments have since been advised by the Planning Commission to reduce their expenditure;

(b) if so, the amounts of reduction advised to each State; and

(c) the reaction of the State Governments thereto?

The Minister of Planning (Shri B. R. Bhagat): (a) to (c). The Planning Commission in its letter on the States' Annual Plan, 1965-66, suggested a close scrutiny of both Plan and non-Plan expenditure.

In the assessment of States' resources for the Annual Plan, which was finalised after discussion with the officials of States Finance Departments, a detailed examination has been made of States' non-Plan expenditure both under development and non-development sides.

Shri Kolla Venkaiah: From the statement it is not clear whether any suggestion has been made to the State Governments for cutting that expenditure.

Shri B. R. Bhagat: The Deputy Chairman mentioned to the Chief Ministers of the States that the expenditure during the Fourth Plan should be limited to 5 per cent and 3 per cent respectively for non-developmental and non-Plan developmental expenditure.

Shri Kolla Venkaiah: Which are the States that have approved the suggestion made by the Government?

Shri B. R. Bhagat: It is not a question of approval, it is a question of taking this factor into account in planning their annual plans for the last year of the Third Plan.

Shri Heda: Instead of giving a general line of thinking, have the Planning Commission indicated any spheres or any departments where excess expenditure is taking place in which there is a possibility of curtailment?

Shri B. R. Bhagat: Every year the annual plan of the States come up for discussion in the Planning Commission and we go into the matter, into the details of examination of the various projects on the basis of the actual expenditure over the last year; we determine the expenditure of the next year and we also go into thorough details of the new requirements.

Dr. M. S. Aney: What is the reaction of the State Governments to the letter issued by you?

Shri B. R. Bhagat: They are also very co-operative, they are also interested in keeping the non-plan expenditure as low as possible.

Shri Ranga: What steps are taken by the Union Government itself to minimise its own non-plan expenditure, outside the plan projects and with what success?

Shri B. R. Bhagat: This question relates to the State Governments but if you permit me, I will answer it.

Mr. Speaker: If he wants to answer he may answer it.

Shri B. R. Bhagat: The Finance Minister has asked the various departments to go into this matter last year, and more so this year. We have enforced a very rigorous control on all expenditure proposals; in respect of non-plan and non-development expenditure, there has been very tight budgeting.

श्री बिभूति मिश्र : अध्यक्ष महोदय, मंत्री जी ने पटने में बतलाया था कि सारे देश की पर कैपिटा इनकम 300 रु० से ज्यादा है, बिहार का एव्रेज 190 रुपये है और हमारे क्षेत्र का बतलाया कि कहीं 100 रुपया है तो कहीं पर 50 रुपया है और इसी को ध्यान में रखते हुए श्री अशोक मेहता ने सब स्टेट्स को ख़त लिखा है :—

"It is absolutely necessary to reduce the strain on the Centre's resources"

स्टेट्स सेंटर से जहां तक हो सके न मांगें, तो मैं सरकार से जानना चाहता हूं कि यह जो हम लोग बैकवर्ड एरिया के आदमी हैं हमारी आमदनी कैसे बढ़ेगी और हमारी तरक्की कैसे होगी ?

श्री ब० रा० भगत : उसमें यह भी लिखा गया है कि राज्य सरकारें अपने अपने रिसोंसिज बढ़ायें और उन इलाकों में ऐसे प्रोजेक्ट्स जिन से कि जल्दी आमदनी हो सके, इस तरह के एग्रीकलचरल और दूसरे प्रोजेक्ट्स नये नये ढंग से लगायें ताकि वहां की आमदनी बढ़े ।

Shri Harish Chandra Mathur: This subject has been before Parliament and before the Government for a long time now. May I know whether they have made any study of this subject of non-productive expenditure in the various States? Have they made any estimate of the possible savings that could be made?

Shri B. R. Bhagat: No study as such has been made in regard to the state expenditure. Obviously it cannot be made here. But the States are doing this and here in the Planning Commission, there is a State budgeting section and in the Finance Ministry there is the department of coordination which deals with the States' budgets. They are all going into this question trying to bring down this expenditure as much as possible.

Shri Harish Chandra Mathur: Are they working in thin air? They should have got some basis or some statistics. It is not a new question.

Shri S. M. Banerjee: The Deputy Chairman of the Planning Commission has stated that they should avoid the strain on the Centre and the State Governments must mop up their resources. I want to know whether specific instructinns have been issued to the State Governments to nationalise some of the industries in their own States.

Mr. Speaker: That is a different thing altogether. The Question Hour is over. Shri Kachhavaiya:

Shri Surendranath Dwivedy: The next question can be taken up, Sir. A minute or so yet remains.

Mr. Speaker: It is over.

Shri Hari Vishnu Kamath: Under the rules, if the Minister desires to answer, it may be taken up.

Mr. Speaker: Order, order. The question Hour is over.

12.00 hrs.

SHORT NOTICE QUESTION

नागालैंड के विधायकों का त्याग-पत्र

S.N.Q. 6. **श्री हुकम चन्द कछवाय :**
श्री ओंकार लाल बेरवा :
श्री यू० द० सिंह :
श्री प्र० रं० चक्रवर्ती :
श्री प्र० चं० बरुआ :
श्री हेम बरूआ :

क्या वैदेशिक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि नागालैंड के बारह बिरोधी विधायकों ने विधान सभा की सदस्यता से त्याग-पत्र दे दिया है ;

(ख) क्या यह भी सच है कि उपरोक्त विधायक त्याग-पत्र देने के बाद विद्रोही नागाओं के साथ मिल गये हैं ;

(ग) यदि हां, तो अब सरकार उनके विरुद्ध क्या कार्यवाही करने का विचार कर रही है ; और

(घ) उसका पूरा ब्योरा क्या है ?

वैदेशिक-कार्य मंत्रालय में राज्य मंत्री (श्रीमती लक्ष्मी मेनन) : (क) जी हां ।

(ख) जी नहीं ।

(ग) और (घ). प्रश्न नहीं उठता ।

श्री ओंकार लाल बेरवा : मैं यह जानना चाहता हूं कि क्या इन्होंने इसलिए इस्तीफ़ा दिया था कि देशद्रोही फ़िज़ो को बगैर किसी शर्त के नागालैंड लौटने दिया जाये ।

Shrimati Lakshmi Menon: No, Sir; it does not arise.

श्री ओंकार लाल बेरवा : मैं यह जानना चाहता हूं कि जब सरकार नागालैंड को अपने देश का भाग समझती है, उसको एक्स्टर्नल ऐफ़ेयर्ज मिनिस्ट्री के हाथ में देने का क्या कारण है ।

अध्यक्ष महोदय : यह तो पालिसी की बात है ।

Shri Hem Barua: May I know if it is not a fact that these 12 members of the Nagaland Legislative Assembly who won their elections with the support of the Naga hostiles have resigned because (a) they do not have any faith in the present political arrangements in Nagaland and (b) they want to strengthen the hostile elements' demands for independence of Nagaland from the Indian Union, and, if so, may I know whether Government have examined this particular aspect of the problem and, if they have, what is their conclusion?

Shrimati Lakshmi Menon: They have not given any reasons for their resignation. It is presumed . . .

Shri Hem Barua: They issued a statement.

Mr. Speaker: Order, order. Let him listen first to the answer.

Shrimati Lakshmi Menon: In their resignation letter they have not given any reasons at all. It is presumed that they were afraid that in case the talks failed they would be held responsible, and so, in order to give up their responsibility in the matter, they thought it was wise to resign at this stage.

श्री प्रकाशवीर शास्त्री : मैं यह जानना चाहता हूं कि नागालैंड के मुख्य मंत्री, श्री शीलू आओ, अथवा वहां के राज्यपाल, श्री विष्णु सहाय, ने इन बारह व्यक्तियों के त्याग-पत्र के सम्बंध में अपनी रिपोर्ट भारत सरकार को भेजी है, जिस में यह बताया गया है कि उसका बहुत बड़ा कारण शांति वार्ता है ; यदि हां, तो इस तरह की बात होने से क्या यह अच्छा नहीं है कि शांति-वार्ता को समाप्त कर दिया जाये ।

Shrimati Lakshmi Menon: The Government do not think that it is advisable to suspend the talks.

Mr. Speaker: He says that the Governor and the Chief Minister have also sent some comments on the reasons for their resignation.

Shrimati Lakshmi Menon: No, Sir.

Shri S. M. Banerjee: I would like to know whether the attention of the hon. Minister has been drawn to the press statement issued by all those who resigned and, if so, what is the reaction of the Government and whether they think that without their support the peace talks can continue and have fruitful results?

Shrimati Lakshmi Menon: Government do not attach any importance whatever to the statement made by these 11 or 12 members who resigned, and the Government think—they are in fact sure—that the peace talks will continue and these people are not going to be a bridge between the Nagaland administration and the hostiles.

श्री यशपाल सिंह : क्या यह सही है कि जिन लोगों ने इस्तीफ़ा दिया है, उन का यह कहना है कि शांति-वार्ता के सूत्रधारों का एप्वायंटमेंट सेंट्रल गवर्नमेंट ने नहीं किया है, इसलिए वे लोग मुस्तफ़ी हो रहे हैं ?

Shrimati Lakshmi Menon: No, Sir, all these are wrong.

Shri Hem Barua: Sir, I rise to a point of order. The hon. Minister has just now said that she does not attach any importance to the statement made by all these 12 M.L.As. of the Nagaland Assembly who have resigned. But they have issued a statement and in that statement they have specifically said certain things about the peace talks, about the demand of the Naga hostiles and all that. If she does not attach any importance to that, how can she enlighten us on this vital issue because Nagaland is in fire now?

Mr. Speaker: A question was asked and the answer was given. The Government's reply was that they do not attach any importance to the statement.

Shri Nath Pai: Mr. Speaker, the question was very specific. Two hon. Members tried to raise it. The question was whether the hon. Minister had seen the statement and, if she had seen it, what was her reaction. To say that they do not attach any importance does not answer the question whether she had seen and studied the statement.

Shri Hem Barua: The matter does not end with the resignation of these Members of the Assembly. If she says that she knows things only up to the moment they tendered their resignation to the Assembly, in that case we do not get enlightened in any way. We have to look into the subsequent activities of these people, the subsequent statement of these people and after looking into all these things the Minister should make a statement and try to enlighten even us.

Shri Nath Pai: We want to know her reaction.

Shrimati Lakshmi Menon: Sir, I have clearly stated.....

Mr. Speaker: They want to know whether the Government or the Minister has seen that statement and studied it.

Shrimati Lakshmi Menon: The Government has seen the statement and studied it. After that the Government has come to the conclusion that the statement does not have any importance as far as the peace talks are concerned. These people are not going to be a bridge between....

Some hon. Members *rose*—

Mr. Speaker: Shri Kamath . . .

Shri Nath Pai: She was in the midst of her answer.

Mr. Speaker: Order, order.

Shri Hari Vishnu Kamath: Why should the affairs of Nagaland, as if Nagaland is some foreign territory, be misappropriated by the External Affairs Ministry and not transferred to the Home Ministry as Goa has been rightly transferred to the Home Ministry?

Mr. Speaker: I have already said . . .

Shri Hari Vishnu Kamath: You have also advised the Government.

Mr. Speaker: This very question was put by another hon. Member just now. I said that this cannot be settled here during the Question Hour.

Some hon. Members *rose*—

Mr. Speaker: Order, order. Not so many at a time.

Shri Ranga: Sir, when we raised this point on an earlier occasion the Home Minister said that the Prime Minister was not available and it would have to be settled in consultation with the Prime Minister. Thereafter more than two weeks have elapsed and I do not know what the Government has done during these two weeks and why the Prime Minister and the Home Minister have failed so far to be able to come to some decision on the lines on which you were good enough to advise them on behalf of all of us.

Shri Hem Barua: Sir, what I want to submit is this. When on a previous occasion this matter was taken up on the floor of this House, the hon. Home Minister gave the assurance that he would have discussions with the Prime Minister. You also, Sir, in your wisdom, said that something must be done about it—you said something like that, as far as I remember.

Mr. Speaker: Why should he say "something" where he can quote long passages?

Shri Hari Vishnu Kamath: His Memory fails him on this occasion.

Shri Hem Barua: That shows that you are in sympathy with our demand that this should be shifted to the Home Ministry.

Shri U. M. Trivedi: Sir, there is one pertinent question that arises in this case. Although you have been pleased not to allow questions of policy to be raised, this question is vexing the mind of every one of us. How is it that this question of Nagaland is still being handled by the External Affairs Ministry and the whole public of India is not satisfied and the public wants that it should be handled by the Home Ministry and not by the Ministry of External Affairs?

Shri Nath Pai: Sir, when I raised a similar question during the debate on the international situation, the Prime Minister agreed with all of us who said: that "we do not want to speak about Nagaland in discussing the international situation" I had taken the stand that the Prime Minister during his intervention broadly sympathised with us and it is nearly three weeks since that assurance was given, in implicit words though not overtly, that they would be taking the necessary steps. We want to know what is being done about it.

Mr. Speaker: Does the Prime Minister like to say anything?

The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri): I did not say that. But it is an internal arrangement. I hope the House will give us time to consider this matter; because, there were certain agreements also with Nagas which contained certain provisions in this regard.

Shri Ranga: Why should the agreement be kept in the External Affairs Ministry?

Shri Lal Bahadur Shastri: It will have to be looked into before we take a final decision. As I said, it is an internal arrangement and we will decide about it.

Shri Hari Vishnu Kamath: Sir, on a point of order . . . (*Interruptions*).

Mr. Speaker: Order, order. I do not propose to allow any further discussion on this.

Shri Hem Barua: Sir, it is a very important matter.

Mr. Speaker: It might be so. But will he kindly resume his seat? When I stand up, no Member should stand up.

Shri Hem Barua: There was no agreement.

Mr. Speaker: Order, order. If the Prime Minister's statement is wrong, then the Member can write to me. But he cannot raise it here in this way.

Shri Hari Vishnu Kamath: Our point is that it was not clear; not that it was wrong.

Mr. Speaker: It is very clear now. He has made it clear that it is an internal arrangement and, so far as these suggestions are concerned, Government want some time to consider them before taking a decision.

Shri Hari Vishnu Kamath: But he referred to the agreement with the Nagas.

Mr. Speaker: They will look into that also.

Shri Hem Barua: May I submit that our objection is only to the remark that because there was an agreement with Nagas . . . (*Interruption*).

Mr. Speaker: Order, order. I will not allow any further discussion on this.

Shri Nambiar *rose*—

Mr. Speaker: No, I am sorry.

Shri Nath Pai: It is not a suggestion; it is his own conviction.

Shri Hari Vishnu Kamath: We just wanted to know whether this agreement also covered . . .

Mr. Speaker: I cannot allow this to be discussed during the question hour.

WRITTEN ANSWERS TO QUESTIONS

Rural Development

*554. **Shri Vishram Prasad:** Will the Minister of **Planning** be pleased to refer to the reply given to Starred Question No. 393 on the 24th September, 1964 and state:

(a) whether the details of the scheme submitted by Mr. Chester Bowles relating to India's rural development have been examined in consultation with the State Government; and

(b) how far an intensive and integrated development of a district in each State is sought to be brought about by this scheme.

The Minister of Planning (Shri B. R. Bhagat): (a) and (b). The views of almost all the Chief Ministers have now been received and the Planning Commission will shortly consider this scheme.

Raids on Business Houses by Enforcement Directorate

*556. **Shri Surendranath Dwivedy:** Will the Minister of **Finance** be pleased to state:

(a) whether his attention has been drawn to a statement of the Railway Minister at Rajkot on the 25th October, 1964 disapproving of raids made by the Enforcement Directorate at dead of night on some business houses on mere suspicion as published in the 'Times of India' in its Bombay edition on the 26th October, 1964;

(b) whether there is any secret or verbal direction given to the Directorate not to raid houses which are prepared to make donations; and

(c) if not, the reaction of Government to the statement made by the Cabinet Minister?

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): (a) Government have seen the news item.

(b) No, Sir.

(c) No searches are conducted by the Enforcement Directorate at dead of night or on mere suspicion.

Barauni Industrial Belt

*557. **Shri A. K. Gopalan:**
Shri Umanath:
Shri M. N. Swamy
Shrimati Ramdulari Sinha:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether Government's attention has been drawn to the threatened danger to the Barauni Industries Belt due to the erosion of the Ganga near Semaria village in Bihar; and

(b) if so, the steps Government propose to take in the matter?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). Yes, Sir. There has been appreciable erosion of the left bank of Ganga upstream of Railway bridge at Mokameh and a retired bank was constructed to prevent ingress of water through the eroded section. Erosion is now decreasing and the Railway authorities are attentive to the situation.

क्वार्टरों का 'आउट आफ टर्न' दिया जाना

*558. **श्री हुकम चन्द कछवाय :**
श्री ओंकार लाल बेरवा :
श्री यशपाल सिंह :

क्या **निर्माण और आवास** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्वार्टरों का 'आउट आफ टर्न' दिया जाना किस तारीख से रोक दिया गया है ;

(ख) क्वार्टरों को 'आउट आफ टर्न' अभी भी किन परिस्थितियों में दिया जाता है ; और

(ग) क्या सरकार का विचार 'अलाटमेंट' नियमों में कुछ छूट देने का है, जिससे (1) बीमारी, (2) पड़ौसियों से लड़ाई, (3) शाकाहारी तथा मांसाहारी लोगों की धार्मिक भावना में ठेस लगना, तथा (4) प्राइवट मकानों से निष्कासन आदि संबंधी कठिनाइयां दूर की जा सकें ?

निर्माण और आवास मंत्री (श्री मेहर चन्द खन्ना) : (क) मैडीकल के अलावा और कारणों पर 'आउट आफ टर्न अलाटमेंट' दिया जाना जून 1962 से बन्द कर दिया गया था। जून 1964 से मैडीकल के आधार पर भी "आउट आफ टर्न अलाटमेंट" को बन्द कर दिया गया ।

(ख) कहीं कहीं खास वजूहात को सामने रखते हुए "आउट आफ टर्न अलाटमेंट" कभी कभी की जाती है ।

(ग) जी नहीं ।

"Smuggling on Indo-Pak. Border"

*559. **Shri Ram Harkh Yadav:**
Shri Vishwa Nath Pandey:

Will the Minister of **Finance** be pleased to state

(a) whether it is a fact that many smugglers were arrested and smuggled goods worth over rupees two lakhs seized near India-Pakistan border in the eastern districts of West Bengal during October, 1964;

(b) if so, the number of such arrested persons; and

(c) the steps Government propose to take in this regard?

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): (a) and (b). During October, 1964, smuggled goods worth about

Rs. 2,22,000/- were seized at different places on the West Bengal side of the Indo-Pakistan border and 8 persons were arrested in this connection.

(c) Suitable steps are being taken to decide the cases on merit expeditiously.

Increase in Bank Rate in U.K.

*560. **Shri D. C. Sharma:**
Shri Kolla Venkaiah:
Shri Yashpal Singh:

Will the Minister of **Finance** be pleased to state:

(a) whether the United Kingdom have increased the bank rate from 5 to 7 per cent; and

(b) if so, its impact on the Indian economy?

The Minister of Planning (Shri B. R. Bhagat): (a) Yes, Sir.

(b) Its impact on the Indian economy is not likely to be very significant.

Financial Crisis in Assam

*561. **Shri P. C. Borooah:**
Shrimati Renuka Barkataki:

Will the Minister of **Finance** be pleased to state

(a) whether Government's attention has been drawn to the reports that Assam is heading towards a financial crisis making its plan prospects quite bleak unless Centre comes to its rescue;

(b) if so, whether any proposals have been received from the Assam Government in this matter; and

(c) Government's decision thereon?

The Minister of Planning (Shri B. R. Bhagat): (a) Government have no information other than some reports that appeared in certain sections of the Press to this effect.

(b) No proposals have been received from Assam Government.

(c) Does not arise.

"Shri Sriram Durga Prasad of Nagpur"

*562. **Shri Hari Vishnu Kamath:**
Shri Surendranath Dwivedy:

Will the Minister of **Finance** be pleased to refer to the reply given to Starred Question No. 516 on the 1st October, 1964 regarding the affairs of Shri Sriram Durga Prasad of Nagpur and state:

(a) whether the investigation into this case has been completed;

(b) if so, the outcome thereof; and

(c) the nature of action proposed to be taken against the persons involved?

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): (a) No Sir,

(b) Does not arise.

(c) It is proposed to proceed against the persons concerned under the provisions of the Sea Customs Act 1878 read with Foreign Exchange Regulations Act, 1947.

Chhitauni Bund

*563. **Shri K. N. Pande:**
Shri Braj Bihari Mehrotra:
Shri P. Venkatasubbaiah:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether it is a fact that Chhitauni Bund having been constructed with great difficulty in order to save a vast area from flood by a furious river like Bari Gandak in U.P. is on the verge of being washed away due to sudden change of course by the river in question; and

(b) if so, the steps taken by the Ministry and the State Government to save the bund so that the expected ruin to crops in lakhs of acres and also to the sugar factory, Chhitauni, may be avoided?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) This year there was a breach in the old Railway embankment down stream of Chhitauni Bund.

(b) Spurs are proposed to be constructed to protect the lands.

Paradeep Port

*564. **Shri Surendranath Dwivedi:** Will the Minister of **Planning** be pleased to state:

(a) whether it has come to the notice of the Planning Commission that the Orissa Government have spent more than 10 crores of rupees out of the State revenues for the development of Paradeep as a major port;

(b) whether it is a fact that money provided for some small projects including small irrigation in the Third Five Year Plan as approved by the Planning Commission was diverted for the purpose; and

(c) whether the concurrence of the Central Government was taken for diverting funds for the above purpose?

The Minister of Planning (Shri B. R. Bhagat): (a) During the first three years the expenditure under the State Plan on Paradeep Port is about Rs. 8 crores.

(b) and (c). The adjustments in the State's Annual Plan proposed by the Government of Orissa have been kept in view in the formulation of the Annual Plan during 1964-65 and 1965-66. There has been no deviation from the priorities in the State's Five Year Plan.

Power Rates

*565. **Shri D. C. Sharma:**
Shri Rameshwar Tantia:
Shri P. Venkatasubbaiah:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether the Committee of representatives of the Government and of the Planning Commission are of the view that there is need for increasing the electricity charges in almost all the States; and

(b) if so, the action proposed to be taken in the matter?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). A Working Group was set up by the Planning Commission to examine and make recommendations on price policy for electricity undertakings. This Group examined generally the financial condition of the State Electricity Boards, and also the question of raising the rate of supply and connected matters and submitted its report to the Planning Commission in June, 1964. In the mean time, as decided at the Conference of the State Irrigation and Power Ministers held in January, 1964, a Power Tariff Committee with Shri R. Venkataraman, Minister for Industries, Madras as its Convener, was set up to recommend measures for the improvement of the financial position of the State Electricity Boards. The Committee has since submitted its Report. The recommendations made by the Committee as well as the Working Group are at present being examined.

2. In regard to the further steps which could be taken for securing a suitable return on investment on power projects, the matter will be taken up with the State Governments in the light of these recommendations, as finally accepted.

"Seizure of Gold at Palam Airport"

*566. **Shri P. C. Borooah:**
Shri Rameshwar Tantia:
Shri D. C. Sharma:
Shri Murli Manohar:
Shri Ram Harkh Yadav:
Shrimati Savitri Nigam:
Shri Onkar Lal Berwa:
Shri Hukam Chand Kachhavaiya:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that one of the world's biggest gang of gold smugglers was unearthed by the Delhi Customs Authorities at Palam Airport on the 4th December, 1964;

(b) if so, the particulars of the gold haul; and

(c) Government's reaction thereto?

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): (a) and (b). On 4th December, 1964, 2 persons one a Lebanese national and the other a Syrian national, were apprehended at Palam Airport and 95 Kgs. of gold were recovered from them. It appears that they belong to an international gang of smugglers.

(c) two persons were arrested and are at present in judicial custody. It is proposed to prosecute them under the Customs Act and Foreign Exchange Regulations Act.

Drinking Water Supply Scheme for Orissa

1474. Shri Rama Chandra Mallick: Will the Minister of **Health** be pleased to state:

(a) whether Government have finalised the scheme to augment the drinking water supply for Cuttack city and Rourkela town (Orissa); and

(b) if so, the total amount sanctioned for the scheme and details thereof?

The Minister of Health (Dr. Sushila Nayar): (a) No proposal to augment the drinking water supply for Cuttack city has so far been received from the State Government. A rough estimate for Rs. 1.03 crores for the water supply scheme for Rourkela town was received from the State Government and it has been returned with technical advice of the Central Public Health Engineering Organisation for necessary modifications. Revised estimates are awaited.

(b) Does not arise.

Mental Hospitals

1475. Shri Rama Chandra Mallick: Will the Minister of **Health** be pleased to state:

(a) whether there is any proposal under consideration of Government to establish more hospitals for mental diseases in the country like the one at Ranchi; and

(b) if so, the details thereof?

The Minister of Health (Dr. Sushila Nayar): (a) and (b). The Hospital for Mental Disease at Ranchi is a hospital for paying patients and it is now functioning also as a teaching institution. There are the following proposals for establishment of the Mental Hospitals:

West Bengal: A 350-bed Mental Hospital at Berhampore, Murshidabad District, at an estimated cost of Rs. 18·69 lakhs has been approved. Constructional works are in progress. An Institute for Mental Diseases is under construction in Calcutta at an estimated capital cost of about Rs. 12.58 lakhs. The constructional works are nearing completion. The Institute will have 100 in-door beds.

Delhi: A Hospital for Mental Diseases at Shahdara with 116 beds is under construction. Land measuring about 87 acres has been acquired for expansion of the hospital to accommodate 200 patients.

Himachal Pradesh: A 60-bed Mental Hospital is being considered in the Fourth Plan.

Manipur: Establishment of a Mental Hospital at Imphal is under consideration.

Madras: A 360-bed Mental Hospital at Madurai was sanctioned by the State Government in September, 1961 but the construction work thereon was deferred due to the National Emergency in November, 1962. The State Government is considering provision for the scheme in the budget for 1965-66.

Kerala: There is a proposal to establish another Mental Hospital at Kottayam. The details have not yet been worked out.

Maharashtra: A Mental Hospital at Aurangabad is being considered in the Fourth Plan.

In addition, in the Fourth Five Year Plan the following items are proposed under Mental Health Services:—

(i) to provide psychiatric clinics in District Hospital;

(ii) to establish 25 psychiatric clinics in teaching hospitals;

(iii) to provide one 'Day Hospital' in every State for mental paitents; and

(iv) to provide a hospital of 300 beds for the All India Institute of Mental Health, Bangalore.

Industrial Development of Under-developed Areas

1476. Shri Bishwanath Roy: Will the Minister of **Finance** be pleased to state the incentives provided by the Central Government for stimulating the industrial development of under-developed areas in the country?

The Minister of Finance (Shri T. T. Krishnamachari): The existing tax incentives for stimulating industrial development (*e.g.*, five year tax holiday, development rebate, reduced rates of tax for industries) apply to the country as a whole. Fosternig development in relatively under-developed areas in the country is an important consideration taken into account by Government in the location of the various public sector projects, in establishing industrial estates in different parts of the country and also in the industrial licensing policy adopted for private sector units.

Rural Water Supply Schemes

1477. Shri Uikey:
Shri R. S. Tiwary:
Shri Radhelal Vyas:
Shri Babunath Singh:

Will the Minister of **Health** be pleased to refer to the reply given to Unstarred Question No. 761 on the 17th September, 1964 and state:

(a) whether all the 38 rural water supply schemes sent by the Madhya Pradesh Government have been scrutinised and approved; and

(b) if so, the amount sanctioned for these schemes?

The Minister of Health (Dr. Sushila Nayar): (a) The 38 rural water supply schemes sent by the Madhya Pradesh Government have been scrutinised but have not yet been approved as the State Government has to revise them in the light of the technical comments offered by the Central Public Health Engineering Organisation.

(b) Does not arise.

Excise Duty on Small Scale Paint Industries

1478. Shri Chuni Lal: Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that there exists substantial variation in the levy of excise duty on Small-Scale Paint Industries established before the 6th July, 1963 and those established thereafter;

(b) if so, whether it is a fact that this disparity in the levy of excise duty has put an end to further expansion of small-scale paint industries and that the industries established after 6th

July, 1963 are facing great hardship; and

(c) whether Government have under consideration any proposal to amend the rules on the subject so as to provide equal opportunities to all small-scale paint industries?

The Minister of Finance (Shri T. T. Krishnamachari): (a) By virtue of an exemption granted by Notification, small-scale manufacturers of paints and varnishes who had established their factories before the 6th July, 1963, enjoy certain concessions in the rates of duty on paints and varnishes manufactured by them. Similar concessions, though at a somewhat lower rate, are also extended to the manufacturers in the small scale, of paints and varnishes, who have started manufacturing after the 6th July, 1963. This differentiation was deliberate and has been introduced with the object of checking unregulated growth of uneconomically viable units at the expense of the general tax-payer.

(b) and (c). No, Sir. On the contrary, the information available with the Government shows that even after the 6th July, 1963, 311 new units have actually come into existence.

Rockefeller Foundation Grant

1479. **Shri Ram Harkh Yadav:**
Shri Murli Manohar:

Will the Minister of **Finance** be pleased to state:

(a) whether the Rockefeller Foundation has given special grants to Indian Institutions;

(b) if so, the details thereof; and

(c) whether the grants have been awarded for specific purposes and if so, the details thereof?

The Minister of Finance (Shri T. T. Krishnamachari): (a) Yes, Sir. The Rockefeller Foundation has given grants to Indian Institutions.

(b) and (c). The required information for the period from 1st January, 1958 to 30th September 1964 is contained in the statement. [*Placed in Library. See* No. LT-3648/64]. Information prior to 1958 is not available.

Financing of Industrial Estates

1480. Shri M. P. Swamy: Will the Minister of **Finance** be pleased to state:

(a) whether the Life Insurance Corporation of India had introduced a new scheme for financing industrial estates started by Joint Stock Companies;

(b) if so, the names of the stock companies and the amount of financial assistance received by them under the above scheme; and

(c) on what basis the companies were selected by the Life Insurance Corporation to offer financial assistance?

The Minister of Finance (Shri T. T. Krishnamachari): (a) The scheme for financing of industrial estates was introduced by the Corporation in the year 1962. The agency setting up the industrial estate could be either a co-operative society or a joint stock company.

(b) *Name of the Company*	*Amount* Rs.
Falna Udyog Mandal Ltd., Falna, Rajasthan	4,10,000

(c) Under the scheme all applications for loans must be sponsored by the State Government concerned who have to guarantee the loan. Since the selection is a matter entirely for the State Government the Corporation has not laid down any basis for such selection.

Savings

1481. Shri Sezhiyan: Will the Minister of **Finance** be pleased to state

the month-wise figures of the net savings effected, even approximately, through each of the following channels, from April, 1964 to October, 1964:

(i) National Small Savings Organisation;

(ii) Postal Savings Accounts;

(iii) Scheduled Banks;

(iv) Life Insurance Corporation;

(v) Unit Trust;

(vi) Co-operative Banks and Societies; and

(vii) Other Organisations?

The Minister of Finance (Shri T. T. Krishnamachari): A statement containing the information is laid on the Table of the House. [*Placed in Library. See* No. LT-3649/64].

Decentralisation of L.I.C.

1482. **Shri D. C. Sharma:**
Shri Yashpal Singh:
Shri Kolla Venkaiah:

Will the Minister of **Finance** be pleased to state:

(a) whether the Life Insurance Agents' Federation of India has suggested the splitting up of the Life Insurance Corporation into five semi-autonomous bodies serving each of the five zones in the country; and

(b) if so, the action proposed to be taken in the matter?

The Minister of Finance (Shri T. T. Krishnamachari): (a) Yes, Sir.

(b) Measures for improving the efficiency of the organization are under study and will be considered in consultation with the Life Insurance Corporation.

Tax Collection

1483. **Shri R. G. Dubey:**
Shri Yashpal Singh:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that due to the faulty methods for assessing the taxes, the public are taxed unconsciously more and more;

(b) if so, whether the Finance Ministry has adopted any measures to improve budgeting on the basis of correct assessment of accounts ; and

(c) the results achieved thereby?

The Minister of Finance (Shri T. T. Krishnamachari): (a) No, Sir.

(b) and (c). Do not arise.

Extension of C.G.H.S to Pensioners

1484. **Shri S. M. Banerjee:**
Shrimati Savitri Nigam:
Shri M. L. Dwivedi:
Shri Yashpal Singh:

Will the Minister of **Health** be pleased to refer to the reply given to Unstarred Question No. 1231 on the 24th September, 1964 and state:

(a) whether a decision has since been taken to extend the C.G.H. Scheme to Government pensioners in Delhi; and

(b) if not, the reasons for the delay?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) The instructions to be followed are being worked out and orders are being issued shortly.

Irrigation and Power Seminar

1485. **Shri Bhagwat Jha Azad:**
Shri Yashpal Singh:
Shri D. C. Sharma:
Shri P. Venkatasubbaiah:
Shri Surendra Pal Singh:
Shrimati Renuka Barkataki:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether an All-India Seminar on Irrigation and Power was held at Trivandrum recently; and

(b) if so, the decisions arrived thereat?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) Yes. The Ninth Irrigation and Power Seminar was held at Trivandrum from 20th to 22nd October, 1964.

(b) A statement is laid on the Table of the House. [*Placed in Library. See* No. LT-3650/64].

All India Conference of Nurses

1486. Shri P. C. Borooah: Will the **Minister of Health** be pleased to state:

(a) whether Government's attention has been drawn to the demand spelt out at the All India Conference of Nurses, held at Bangalore in October last, that a 48 hours week for day and night duty be introduced for the nurses; and

(b) if so, Government's reaction thereto?

The Minister of Health (Dr. Sushila Nayar): (a) and (b). Government have not received copies of the resolution but they are aware of this Resolution, passed in October, 1964 by the Trained Nurses' Association of India at their Biennial Conference. A similar resolution of the Trained Nurses' Association passed in 1961 was recommended for implementation to all the State Governments and Union Territories and is being implemented as far as possible.

Tax Evasion

1487. { Shri P. R. Chakraverti: / Shrimati Savitri Nigam:

Will the **Minister of Finance** be pleased to state:

(a) whether it is a fact that a raid by Income-tax authorities in Bombay in October revealed that a man, with Rs. 25 lakhs in his possession, had never paid tax;

(b) the number of such evaders who have been found out in the country and penalised; and

(c) whether Government have decided to continue the persistent practice of *padayatra* by Income-tax Officials, as had been done in Bombay, leading to the addition of 50,000 fresh assessees?

The Minister of Finance (Shri T. T. Krishnamachari): (a) and (b). All raids conducted so far by the Income-tax authorities in Bombay as well as other places have been in the cases of existing assessees and none in the case of persons who had never paid tax.

(c) The Government is continuing its efforts to discover new assessees and assess them to tax.

Quarters in Ramakrishnapuram, New Delhi

1488. { Shri Vishram Prasad: / Shri S. M. Banerjee: / Shri P. C. Borooah:

Will the Minister of **Works and Housing** be pleased to state:

(a) the number of quarters (category-wise) for Government employees constructed in Ramakrishnapuram, New Delhi so far;

(b) the number out of them which have been lying vacant due to want of amenities like water and electricity supply and for how long they have been so vacant; and

(c) the number of quarters of each category which are under construction?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) to

(c) The number of quarters constructed and under construction at Ramakrishnapuram is shown below:

Types and pay ranges for entitlement	completed	under construction
I. (less than Rs. 110/-)	1928	808
II. (less than Rs. 250/- but not less than Rs. 110/-)	1220	2744
III. (less than Rs. Rs. 400/- but not less than Rs. 250/-)	468	56
IV. (less than Rs. 700/- but not less than Rs. 400/-)	1220	152
V. (less than Rs. 1,300/- but not less than Rs. 700/-)	..	138
VI. (less than Rs. 2,250/- but not less than Rs. 1,300/-)	..	184
	4836	4082

No completed quarter is lying vacant for want of amenities like water and electricity.

Road Bridge near Nagarjunasagar Dam

1489. Shri Eswara Reddy: Will the **Minister of Irrigation and Power** be pleased to state:

(a) whether the design for the road bridge across the river Krishna near Nagarjunasagar Dam site was approved; and

(b) whether the approval of Central Government is necessary before the opening of a major road bridge for vehicular traffic?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) The Central Water and Power Commission had furnished their technical comments on the design of bridge to the project authorities.

(b) No.

Water Logging

1490. Shri P. R. Chakraverti:
Shrimati Savitri Nigam:
Shri Himatsingka:

Will the **Minister of Irrigation and Power** be pleased to state:

(a) whether it is a fact that two units under the Ministry are preparing separate master plans for prevention of water-logging and ensuring adequate drainage for northern and southern parts of India;

(b) whether planning will be done on a regional basis;

(c) whether a Committee has been appointed to make a pilot study of a project area to evolve a suitable system of irrigation management to ensure the best economic use of water; and

(d) whether Government have considered the question of levying water charges on a volumetric basis to avoid uneconomic or excessive use of irrigation water?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). Two Expert Committees have been appointed by the Ministry of Irrigation and Power to make a scientific assessment of the flood and drainage problems of (i) Delhi and neighbouring areas of Rajasthan and Punjab, and (ii) Punjab, Bharatpur district of Rajasthan and Western Districts of U.P.; and suggest comprehensive plans for flood control and drainage of these areas. A third committee has been set up to look into the problem of drainage in the deltaic areas of Andhra Pradesh.

(c) Yes.

(d) Government will consider this question on receipt of the report of the Committee referred to in reply to (c) above.

Nutritional Advisory Committee

1491. Dr. Ranen Sen:
Shri Dinen Bhattacharya:
Dr. Saradish Roy:

Will the **Minister of Health** be pleased to state:

(a) whether the Nutrition Advisory

Committee was asked to enquire into the nutritional requirements of the working class families in 1962; and

(b) if so, the findings of the Committee?

The Minister of Health (Dr. Sushila Nayar): (a) and (b). The National Nutrition Advisory Committee, at its second meeting held in March 1962 set up a sub-committee to report on the nutritional requirements of working class families. The recommendations of the sub-committee relating to the provision of calories and other nutrients were considered by the National Nutrition Advisory committee at its fourth meeting held in Bombay in August 1964. The National Nutrition Advisory Committee decided that the recommendations of the sub-committee should be further examined by the Nutrition Adsiry Committee of the Indian Council of Medical Research.

The report of the aforesaid sub-committee will be considered by the Nutrition Advisory Committee of the Indian Council of Medical Research at its next annual meeting to be held in January, 1965. The recommendation of this Committee will then be placed before the National Nutrition Advisory Committee.

Managing Agency System

1492. **Shri Yashpal Singh:**
Shrimati Renuka Barkataki:
Shrimati Laxmi Bai:
Shri P. Venkatasubbaiah:

Will the **Minister of Finance** be pleased to state:

(a) whether he suggested in his inaugural address to the Conference of Regional Directors and Registrars of Companies that managing agency system might be abolished in well established industries from next year; and

(b) if so, the industries which are selected for this purposes?

The Minister of Finance (Shri T. T. Krishnamachari): (a) At the Conference of Regional Directors and Registrars of Companies held in the 27th|28th October, 1964 in New Delhi, under the auspices of the Company Law Board, the Finance Minister stated that the question of the continuance or otherwise of the managing agency system in well-established industries should be considered by the Board.

(b) The matter is under examination, and no decision has been reached yet.

Smuggling

1493. **Shri Vishwa Nath Pandey:** Will the **Minister of Finance** be pleased to state:

(a) whether it is a fact that on the 20th October, 1964 the Customs Authorities seized some boxes at Dum Dum airport containing a large number of wrist watches, transistor sets, nylon fabrics and other consumer goods valued at over rupees one lakh; and

(b) if so, the steps Government propose to take in the matter?

The Minister of Finance (Shri T. T. Krishnamachari): (a) and (b). On 20-10-64, six card-board packages, found to contain 170 wrist watches, 20 transister radio sets, 400 yards nylon fabrics and some other consumer goods were seized by the Customs authorities at Dum Dum airport. The seized goods are valued at Rs. 35,000 (c.i.f.) but their market value is reported to be over Rs. 1 lakh. Further investigations are in progress in the matter on conclusion of which appropriate punitive action is proposed to be taken.

Committee on Transport Policy and Coordination

1494. **Shri Hem Raj:**
Shri Hari Vishnu Kamath:

Will the **Minister of Planning** be pleased to refer to the reply given to

Starred Question No. 245 on the 17th September, 1964 and state:

(a) whether the report of the Committee on Transport Policy and Coordination has since been finalised; and

(b) if so, whether a copy of it will be laid on the Table?

The Minister of Planning (Shri B. R. Bhagat): (a) The report of the Committee on Transport Policy and Coordination is being finalised and is expected to be submitted by the end of January, 1965.

(b) **Yes.**

Rural Water Supply in Orissa

1495. Shri Rama Chandra Mallick: Will the **Minister of Health** be pleased to state:

(a) whether it is a fact that the Government of Orissa have approached the Central Government for the grant of assistance in the matter of undertaking rural water schemes in Orissa; and

(b) if so, the number of schemes submitted by the State Government and the amount of assistance given so far?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) The Government of Orissa had submitted 55 Rural Water Supply Schemes to the Central Government and after scrutiny by the Central Public Health Engineering Organisation, approval to the execution of 48 schemes at a cost of Rs. 56·20 lakhs has been communicated to the State Government. The other seven scheme have been returned with technical comments as they had to be categorised as Urban Schemes. In accordance with the prescribed procedure Central assistance is sanctioned to the State Governments on all Centrally-aided schemes including National Water Supply and Sanitation Programme (Rural) in lump-sum and not separately for each individual Scheme

Wealth Tax

1496. Shri Hem Raj:
Shri Sham Lal Saraf:

Will the **Minister of Finance** be pleased to state:

(a) the amount of Wealth Tax assessed during 1961-62, 1962-63, 1963-64 and the current year, State-wise; and

(b) the collection made during these years and the arrears due upto date year-wise and State-wise?

The Minister of Finance (Shri T. T. Krishnamachari): (a) The amount of Wealth Tax assessed during 1961-62, 1962-63, 1963-64 and the current year. State-wise, is given in the statement laid on the Table of the House. [*Placed in Library. See* No. LT-3651/64].

(b) The collection made during these years and the arrears due upto 31-10-1964 year-wise and State wise, is given in the statement laid on the Table of the House. [*Placed in Library. See* No. LT-3652/64].

"Seizure of Watches in Nagpur"

1497. Shri P. C. Barooah:
Shri P. R. Chakraverti:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that smuggled watches worth about a lakh of rupees were recently seized on raids on watch shops in Nagpur;

(b) if so, how many watches were seized; and

(c) what further steps are being taken to unearth large stocks of smuggled goods in the country?

The Minister of Finance (Shri T. T. Krishnamachari): (a) and (b). During raids made on certain watch shops at Nagpur on 10th November, 1964, 119 watches worth about Rs. 12,500 were seized on suspicion that they had been smuggled from abroad.

(c) Preventive and Intelligence officers of the Customs department have been duly alerted and asked to

be on the look out for stocks of smuggled goods in co-operation with the police authorities and by keeping contacts with reliable informants.

Grant for Family Planning

1498. { **Shrimati Savitri Nigam:** / **Shri Vishwa Nath Pandey:**

Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that the Ford Foundation in November, 1964 granted substantial sum to the Government of India to aid in the reduction of the birth rate through intensified family planning;

(b) if so, the total amount of such grant; and

(c) the manner in which this amount will be utilized and in which States?

The Minister of Health (Dr. Sushila Nayar): (a), (b) and (c). Yes. A grant of $1,246,000 was made in June, 1964 by the Ford Foundation to the Government of India for providing initial support for the Central Family Planning Institute, New Delhi, and the National Institute of Health Administration and Education, New Delhi, over a 2-year period. Out of this grant an amount of $ 563,000 is to be used for the Central Family Planning Institute, New Delhi and the balance of $ 683,000 for the National Institute of Health Administration and Education, New Delhi, as follows:—

Allocation for	Central Family Planning Instt.	N.I.H.A.E.	Total
		(In dollars)	
1. International Consultants	398,000	568,000	966,000
2. Fellowships	35,000	35,000	70,000
3. Equipment	100,000	50,000	150,000
4. Architectural Service	30,000	30,000	60,000
TOTAL	563,000	683,000	1,246,000

The grant will be used for the two Central Institutes and not by any State.

Central Council of Local-Self Government

1499. Shri Surendra Pal Singh: Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that a committee set up by the Central Council of Local Self Governments to suggest ways and means of augmenting financial resources of urban local bodies, has since submitted its report; and

(b) if so, its recommendations in brief?

The Minister of Health (Dr. Sushila Nayar): (a) No. The Report is, however, expected shortly.

(b) Does not arise.

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1500. **श्री हुकम चन्द कछवाय :**
श्री बड़े :
श्री यु० सिं० चौधरी :

क्या **स्वास्थ्य** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारतीय चिकित्सा अनुसंधान परिषद् के सेवानिवृत संचालक तथा संचारी रोग सम्बन्धी राष्ट्रीय शाला में सेवामुक्त वैज्ञानिक के रूप में इस समय कार्य करने वाले डा० सी० जी० पंडित ने डी० डी० टी० कीटनाशक औषधि के व्यापक प्रयोग को रोकने की अपील की है ;

(ख) क्या यह भी सच है कि उन्होंने डी० डी० टी० के प्रयोग को स्वास्थ्य के लिए हानिकारक बताया है ; और

(ग) यदि हां, तो इस कीटनाशक औषधि का प्रयोग रोकने के बारे में सरकार की क्या प्रतिक्रिया है ?

स्वास्थ्य मंत्री (डा० सुशीला नायर) : (क) जी नहीं । डा० सी० जी० पंडित ने डी० डी० टी० के व्यापक प्रयोग को रोकने की कोई अपील नहीं की अपितु उन्होंने सतर्कता की आवश्यकता पर बल दिया, जैसा कि 15 नवम्बर, 1964 को हुई 22वीं बम्बई मेडिकल कांग्रेस में दिये गये उनके भाषण के एतद संबंधी भाग से स्पष्ट हो जायेगा :

> "उन्नीसवीं शताब्दी की औद्योगिक क्रांति से बहुत से पश्चिमी देशों को इन सब चीजों का अनुभव हो चुका है । इससे पहले कि हमें किसी महान् क्षति का सामना करना पड़े हमें उनके अनुभव से फायदा उठाना चाहिए । फिर, कृषि तथा चिकित्सा दोनों क्षेत्रों में कीटनाशकों का व्यापक प्रयोग निस्सन्देह कीट जगत में जिसके निकट साहचर्य में आज हमें रहना पड़ता है, जैविकीय सन्तुलन तो बिगाड़ें ही इसके अतिरिक्त स्वास्थ्य सम्बंधी अनेक परेशानियां भी उत्पन्न कर देगा । वास्तव में राष्ट्रीय संचारी रोग संस्था दिल्ली ने हाल ही में जो अत्यधिक सीमित अध्ययन किये हैं उन्होंने यह दिखा दिया है कि मानव-वसा में पर्याप्त डी० डी० टी० मौजूद है । यह वहां कैसे पहुंच गई । इसकी सार्थकता क्या है ? यह समस्या कितनी बड़ी है ? स्पष्ट है कि इनके उत्तर जानने से पहले बहुत काम करना पड़ेगा ।
>
> ऐसा कहने का यह अर्थ नहीं है कि हमें कीटनाशकों का वैसा प्रयोग नहीं करना चाहिये जैसा आज हम कर रहे हैं । ये कीटनाशक इस समय हमारे पास कुछ ऐसे प्रमुख संचारी रोगों के नियंत्रण के सार्थक साधन हैं जिन्होंने देश के सामने एक महत्वपूर्ण जन स्वास्थ्य समस्या उत्पन्न की हुई है । मैं जो कहना चाह रहा हूं वह है सतर्कता की आवश्यकता, ताकि हम अपने साधनों के विपरीत अथवा आनुषंगिक प्रभावों को यदि कोई हों तो, जान सकें और समय पर उनका सुधार कर सकें ।"

(ख) जी हां यदि इनका अन्धाधुन्ध प्रयोग किया जाये तो ।

(ग) क्योंकि विभिन्न क्षेत्रों में कीटनाशकों के व्यापक प्रयोग से उत्पन्न होने वाली स्थिति पर अन्य प्रगत देशों की भांति ही भारत में आवश्यक सतर्कता रखी जा रही है, भारत सरकार डी० डी० टी० के प्रयोग पर रोक

लगाना आवश्यक नहीं समझती । कीटनाशकों से उत्पन्न होने वाली स्वास्थ्य संबंधी परेशानियों को दूर करने के विचार से सरकार इनकी बिक्री, स्टोर करने, लाने ले-जाने और इनके प्रयोग के विनियमन के लिये संसद् में एक विधेयक ला रही है ।

पाकिस्तानी नावों से चोरी से ले जायें जाने वाले माले को जब्ती

1501. **श्री विश्वनाथ पाण्डेय :**
श्री ओंकार लाल बेरवा :

क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि 13 नवम्बर 1964 को 24 परगना (पश्चिमी बंगाल) में बोपरघाट गांव में भारतीय सीमावर्ती पुलिस ने पाकिस्तानी नावों से हजारों रुपये का चोरी से लाया गया माल बरामद किया है ;

(ख) यदि हां, तो पकड़े गये माल का ब्यौरा क्या है ; और

(ग) सरकार ने इस बारे में क्या कार्यवाही की है ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी): (क) और (ख). 13 नवम्बर, 1964 को पश्चिम बंगाल के 24 परगना जिले में स्वरूप नगर पुलिस थाने के अधीन नित्यानन्द काठी सीमा-चौकी के पुलिस कर्मचारियों ने पाकिस्तान की ओर से आने वाली तीन देशी नौकाओं को पकड़ा और 545 किलोग्राम दार-चीनी, 400 किलोग्राम लौंग और 189 किलोग्राम कपूर बरामद किया । पकड़े गये माल का मूल्य, देशी नौकाओं के मूल्य को छोड़कर, लगभग 32,000 रुपये है ।

(ग) मामला विभागीय न्याय निर्णयाधीन है ।

Tax Evasion in Bihar

1502. Shrimati Ramdulari Sinha: Will the **Minister of Finance** be pleased to state:

(a) the names of the commercial establishments which were raided in Bihar during the last six months in connection with tax evasion; and

(b) in how many cases and under what circumstances incriminating material has beee found as a result of raids?

The Minister of Finance (Shri T. T. Krishnamachari): (a)

1. M/s Ajit Cycle Stores, Patna;
2. M/s Bhagwandas Johrmal, Muzaffarpur;
3. M/s Hiralal Debi Prasad, Muzaffarpur;
4. M/s Mehta Kejriwal & Co.
5. M/s Bawa Cycle Stores, Patna;
6. M/s Masudilal Ramsarupdas, Laheriasarai, District Darbhanga;
7. M/s Musadilal Mohanlal, Laheritsarai, Darbhanga; and
8. M/s Mohan Vastralaya, Leheriasarai, Darbhanga.

(b) Books of accounts and documents seized during the raids in the above cases are under examination. It is not possible to state at this stage the number of cases in which incriminating materials has been found as a result of the raids.

व्यापारिक संस्थाओं के साथ ब्रिटिश इंडिया उपक्रम

1503. **डा० राम मनोहर लोहिया :**
श्री किशन पटनायक :

क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को शिकायत मिली है कि भारत में अनेक व्यापारिक कम्पनियों

के नाम के साथ ब्रिटिश इंडिया शब्द जुड़े हुए हैं जैसे–ब्रिटिश इंडिया कारपोरेशन और ब्रिटिश इंडिया जरनरल इंशोरेंस कम्पनी ; और

(ख) यदि हां, तो सरकार ऐसे नामों को बदलने का आदेश देने के लिये क्या कर रही है ?

वित्त मंत्री (श्री ति०त० कृष्णमाचारी) : (क) सरकार को इस प्रकार की कोई शिकायत प्राप्त नहीं हुई । स्वाधीनता के पश्चात् किसी भी कम्पनी को ब्रिटिश इंडिया शब्दों सहित नाम रखने की अनुमति नहीं दी गई । फिर भी स्वाधीनता से पूर्व की पंजीकृत कुछ कम्पनियों के नामों में ब्रिटिश इंडिया शब्द जड़े हुए हैं । इस प्रकार के नामों से इन शब्दों को हटाने के लिए वर्तमान कम्पनियों को बाध्य करने की शक्ति सरकार को प्राप्त नहीं है ।

(ख) प्रश्न ही उपस्थित नहीं होता ।

Rehabilitation of Oustees

1504. Shri Hem Raj: Will the **Minister Irrigation and Power** be pleased to state:

(a) whether the meeting of the Chief Ministers of Punjab, Himachal Pradesh and Rajasthan took place to finalise the rehabilitation of Oustees from the Pong Dam, Sutlej, Beas link and Harike Projects; and

(b) if so, the outcome thereof?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) No such meeting between the Chief Ministers of Rajasthan, Punjab and Himachal Pradesh has taken place. A meeting of the Committee of Direction comprising the Union Minister for Irrigation and Power and the Chief Ministers of Punjab and Rajasthan was, however, held 28-10-1964 to discuss certain aspects of the Colonisation Policy for the Rajasthan Canal Project. It was decided to consider this matter further in another meeting.

(b) Does not rise.

मुगल गार्डन, राष्ट्रपति भवन

1505. श्री ओंकार लाल बेरवा : क्या **निर्माण तथा आवास** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि राष्ट्रपति भवन, नई दिल्ली के पीछे के बगीचे का नाम मुगल गार्डन रक्खा हुआ है जब कि मुगल सैकड़ों साल पहले रहते थे ;

(ख) यदि हां, तो क्या इस बगीचे के नाम को बदलने के बारे में सरकार कुछ विचार कर रही है, और यदि हां, तो कब तक ?

निर्माण और आवास मंत्री (श्री मेहरचन्द खन्ना) : (क) अपने ले-आउट के स्टाइल की वजह से ये मुगल गार्डन कहलाते हैं ।

(ख) जी नहीं ।

Hospitals

1506. Shri Gokulananda Mohanty:
Shri Hukam Chand Kachhavaiya:
Shri Bade:
Shri Onkar Lal Berwa:
Shri S. L. Verma:

Will the **Minister of Health** be pleased to state:

(a) whether Government's attention has been drawn to the speech of the Prime Minister at the Medical Education Conference recently held at Delhi to the effect that "it was better to have fewer but fully equipped hospitals"; and

(b) if so, the steps Government propose to take to improve the standards of service in the existing hospitals and dispensaries?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) It is noted that shortage of doctors and nurses exist though training institutions have increased in number. It must be kept in mind also that inadequacies of facilities in hospitals arise from over-crowding. Emphasis is being laid on improving the standard of service in the existing hospitals and dispensaries and State Governments are trying to do so according to the resources available to them. Shortage of foreign exchange and money and trained man power have been the main difficulties in their way.

Central Government Health Scheme

1507. Shri D. C. Sharma: Will the Minister of **Health** be pleased to state:

(a) whether there is any proposal to extend the Central Government Health Scheme to the employees of the Delhi Administration;

(b) if so, the details thereof; and

(c) if not the steps proposed to be taken to give the benefit of medical aid to the said employees?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) and (c). The employees of the Administration are entitled to medical benefits under the Central Services (Medical Attendance) Rules, 1944. The Central Government Health Scheme rules are expected to apply when the scheme is extended to them.

कोटा में कर-अपवंचन

1508. श्री ओंकार लाल बेरवा : क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि कोटा (राजस्थान) में एक आयकर अधिकारी ने एक फर्म के दोहरे बही-खाते पकड़े है जिस से कि वह करों को चुराती थी ; और

(ख) अब उस फर्म के विरुद्ध क्या कार्यवाही की जा रही है ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी): (क) जी, हां ।

(ख) पकड़े गये बही-खातों की छानबीन हो रही है ।

Gold Smuggling

1509. Shri P. C. Borooah: Will the **Minister of Finance** be pleased to state:

(a) the number of cases of gold smuggling detected during 1962, 1963 and 1964 so far, and how far the incidence of gold smuggling has been brought down since the enforcement of the Gold Control Order; and

(b) the maximum and minimum prices of the gold during each of these years and how the prices of gold behaved with the enforcement of the Gold Control Order?

The Minister of Finance (Shri T. T. Krishnamachari): (a) The number of cases of gold smuggling detected and the quantity seized have been as follows:—

Year	Number	Quantity Kilograms
1962 . . .	400	2638
1963	289	1024
1964* .	526	1730

(*upto November)

The period following the imposition of gold control is too short to come to any significant conclusions regarding its effect on smuggling.

(b) The maximum and minimum prices during these years have been as follows:—

Year	Highest	Lowest
	(Price in Rupees per 10 grams of 24 carat gold)	
1962	129·90	86·00
1963 .	118·00	95·00
1964 .	124·71	102·86

There was a downward trend in prices following the imposition of gold control, but in the period March—June, 1963 there was a rise in prices. Subsequently, there have been fluctuations but the level has been lower than what prevailed prior to enforcement of gold control.

Water and Sewerage Needs

1510. Shri R. Barua: Will the Minister of **Health** be pleased to state:

(a) the improvements contemplated to meet the back-log in meeting the water and sewerage needs of ever increasing urban areas; and

(b) whether any effective and purposeful co-ordination between the States and the Centre has been evolved to deal with the subject with speed?

The Minister of Health (Dr. Sushila Nayar): (a) and (b). The question of accelerating the pace of progress of the water supply and sewerage schemes to catch up with the needs of the urban areas was considered in detail by the Seminar on Financing and Management of Water and Sewerage Works convened by this Ministry in April last in New Delhi. The seminar has made as number of recommendations in regard to financing and management of water supply and sewerage works and has suggested the formation orf statutory water and drainage boards in every State as an effective means for increasing the efficiency of financing and operating the municipal water and sewerage srvices. The seminor has also considered several alternative methods available for the raising of the capital necessary to carry out the future programme and has made a number of recommendations in this behalf. The recommendations are under the consideration of the Government of India and State Governments to whom copies of the report of the Seminar have been circulated.

Sale of Plots in Delhi

1511. Shri R. G. Dubey: Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that the Delhi Improvement Trust (now Delhi Development Authority) had invited tenders in April, 1961, for the sale of plots in Shakti Nagar, Delhi which were occupied by unauthorised Jhuggiwalas;

(b) whether it is also a fact that allotments were made but possession of the plots has not yet been given to the allottes though they are prepared to pay the amount in full; and

(c) if so, the reasons therefor?

The Minister of Health (Dr. Sushila Nayar): (a) The Delhi Development Authority had invited tenders for the sale of seven plots in Shakti Nagar (Roshanara Extension Scheme) on perpectual lease-hold basis for the construction of residential and shop-cum-residential buildings. Subsequently, three plots out of these seven

were withdrawn from the sale before the receipt of the tenders. As such only 4 plots were left and tenders were received for them on the 20th January, 1961. Of these, one plot was unauthorisedly occupied by some squatters.

(b) and (c). Allotment was approved in the case of three plots. Later on the transaction of one plot was cancelled by the Authority as the tenderers failed to pay the balance of the premium money, etc., within the period specified for payment thereof. The transaction of another plot was cancelled at the instance of the tenderer. Since the transaction of these two plots has been cancelled, the question of handing over their possession to the tenderers does not arise.

As regards the third plot, the tenderers were asked on 9th May, 1961, to pay the balance of the premium money etc., but they declined to do so till the unauthorised occupants were evicted from the plot. They have, however, since expressed their willingness to deposit the balance of the premium money etc. and have also requested that an agreement for lease in respect of the plot may be prepared in the sole name of only one of the tenderers and not in their joint names. In this connection, they sent on 9th July, 1964 an agreement which was made between them on 5th November, 1963 whereby one of the tenderers had agreed to relinquish his rights as co-tenderer in favour of the other. It is now under consideration of the Authority whether or not the request of the tenderers for the preparation of the agreement for lease in the name of only one tenderer be acceded to.

The question of handing over possession of the plot to the tenderers as also of directing them to pay the premium money etc. will be taken up as soon as a decision on their above request is arrived at by the Authority.

The eviction proceedings under the Public Premises (Eviction of Unauthorised Occupants) Act, 1958 for the eviction of the squatters from the plot have already been started.

Savings Movement

1512. **Shri D. C. Sharma:** Will the Minister of **Finance** be pleased to state:

(a) whether any new scheme to popularise the savings movement is under consideration of the Savings Mobilization Board; and

(b) if so, the details thereof?

The Minister of Finance (Shri T. T. Krishnamachari): (a) No, Sir. The Board has only recently been constituted.

(b) Does not arise.

Foreign Liquor in Delhi

1513. **Shri Solanki:**
Shri Y. N. Singha:

Will the Minister of **Finance** be pleased to state:

(a) the total revenue which accrues as a result of sale of foreign liquor from the Union Territory of Delhi; and

(b) whether the sale price of foreign liquor is controlled and if so, the details thereof?

The Minister of Finance (Shri T. T. Krishnamachari): (a)

1963-64— Rs. 90,39,245.

(b) No, Sir.

तिब्बिया कालेज, दिल्ली

1514. **श्री ओंकार लाल बेरवा :** क्या **स्वास्थ्य** मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या सरकार तिब्बिया कालेज, दिल्ली में एक स्नातकोत्तर अनुसन्धानशाला स्थापित करने का विचार कर रही है ;

(ख) यदि हां, तो संभवतः यह कब स्थापित होगी ;

(ग) उस पर कितना खर्च करने का विचार है ;

(घ) क्या उस प्रयोजन के लिये सरकार ने कोई समिति नियुक्त की है ; और

(ङ) यदि हां, तो उसके कौन-कौन सदस्य हैं ?

स्वास्थ्य मंत्री (डा० सुशीला नायर) : (क) जी हां ।

(ख) यह योजना आयुर्वेद एवं यूनानी तिब्बिया कालेज बोर्ड, दिल्ली से परामर्श कर के तैयार की जा रही है ।

(ग) यह अभी निश्चित नहीं हुआ है ।

(घ) जी नहीं ।

(ङ) यह प्रश्न नहीं उठता ।

Hypertension

1515. Shri Brajeshwar Prasad: Will the Minister of **Health** be pleased to state:

(a) whether Government's attention has been drawn to the news item published in the weekly "The Current" dated the 7th March, 1964, that hypertension is linked with the excessive use of salt;

(b) whether the medical experts in India have analysed green vegetables which have an increased amount of salt; and

(c) if so, which are these vegetables and the result of their analysis?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) and (c). The information is being collected and will be laid on the Table of the Sabha in due course.

Chit Fund Companies in Delhi

1516. Shri E. Madhusudan Rao: Will the Minister of **Finance** be pleased to state:

(a) the names of the chit fund companies which have so far been registered under Madras Chit Fund Act;

(b) the names of those companies which have not been registered so far and are likely to be registered;

(c) whether any company has not submitted its accounts to the Delhi Administration; and

(d) if so, the details thereof?

The Minister of Finance (Shri T. T. Krishnamachari): (a) 168 bye-laws filed by the companies mentioned below have been registered upto the 9th December, 1964.

1. Smarts' (P) Ltd., New Delhi.
2. Prominent (P) Ltd., New Delhi.
3. Deluxe Finance and Chit Fund (P) Ltd., New Delhi.
4. Maharban Finance and Chit Fund (P) Ltd., New Delhi.
5. Everlast Private Ltd., Delhi.
6. Eversound Chit Fund (P) Ltd., Delhi.
7. Youngman Benefit Chit Fund (P) Ltd., New Delhi.
8. Emergency Finance and Chit Fund (P) Ltd., New Delhi.
9. Gandhi Nagar Chit Fund (P) Ltd., Kailash Nagar, Delhi-Shahdara.
10. Systems Finance and Chit Fund Pvt. Ltd., Delhi.
11. Em En Finance Co. (Chit Fund Pvt., Ltd.), New Delhi.
12. Lyco Chit Fund (P) Ltd., New Delhi.
13. Balussery Benefit Chit Fund (P) Ltd., New Delhi.
14. Efficient Chit Fund (P) Ltd., New Delhi.
15. Capital Chit Fund (P) Ltd., New Delhi.
16. Prince Chit Fund (P) Ltd., New Delhi.
17. Pearl Chit Fund (P) Ltd., New Delhi.

18. Graduate Traders Financiers and Chit Fund (P) Ltd., New Delhi.
19. P.S.E. Finance Chit Fund (P) Ltd., Delhi.
20. Sarita Benefit Chit Fund and Finance (P) Ltd., Delhi.
21. Upkari Private Limited, New Delhi.
22. Gujranawala Trading Finance & Chit Fund (P) Ltd., Delhi.
23. Manchar Chit Fund and Financiers (P) Ltd., Delhi.
24. Navrattan Chit Fund and Finance Co. (P) Ltd., New Delhi.
25. Kapur Chit Fund and Finance (P) Ltd., Delhi.
26. Sylvan Star Investment Co. (P) Ltd., Delhi.
27. Rocket Chit Fund (P) Ltd., Delhi.
28. International Benefit Chit Fund (P) Ltd., Delhi.
29. Janta Fair Dealers (Delhi) (P) Ltd., New Delhi.
30. Excellsior Financiers and Traders Chit Fund (P) Ltd., Delhi.
31. Vishal Chit Fund (P) Ltd., New Delhi.
32. Wealthways Chit Fund and Financiers Co. (P) Ltd., Delhi.
33. Globe Benefit Chit Fund (P) Ltd., New Delhi.
34. Nav Hind Chit Fund (P) Ltd., New Delhi.
35. Amarjoti Financiers Co. (P) Ltd., Delhi.
36. Meera Finance and Chit Fund (P) Ltd., Delhi.
37. Global Chit Fund (P) Ltd., New Delhi.
38. Indra Finance and Chit Fund (P) Ltd., New Delhi.
39. Sartaj Chit Fund (P) Ltd., New Delhi.
40. Onkar Chit Fund and Financiers (P) Ltd., Delhi.
41. Gogi Chit Fund (P) Ltd., New Delhi.
42. Swastika Benefit Chit Fund (P) Ltd., Delhi.
43. Sher-e-Punjab Chit Fund (P) Ltd., New Delhi.
44. Hitaishi Benefit Chit Fund (P) Ltd., New Delhi.
45. Evershine Chit Fund and Finance Co. (P) Ltd., New Delhi.
46. Aggarwal Instalment and Chit Fund Co. (P) Ltd., Delhi.
47. Qaroon Chit Fund (P) Ltd., New Delhi.
48. Milliontex Finance Co. (P) Ltd., Delhi.
49. Ajax Finance and Chit Fund (P) Ltd., New Delhi.
50. Bedi Chit Fund (P) Ltd., New Delhi.

(b) Applications for the registration of bye-laws submitted by the companies mentioned below are under consideration. It is not possible at this stage to indicate the number of bye-laws which may be registered or the names of the companies concerned.

1. Motor Traders Benefit Chit Fund and Financiers (P) Ltd., Delhi.
2. Sunlight Chit Fund (P) Ltd., New Delhi.
3. Friends Chit Fund Benefit (P) Ltd., Delhi.
4. Roxy Chit Funds and Finance (P) Ltd., New Delhi.
5. Collective Investment and Finance (P) Ltd., Delhi.
6. Robot Finance Chit Fund (P) Ltd., Delhi.
7. Bank Employees Benefit Chit Fund and Finance (P) Ltd., Delhi.
8. Chakravarti Finance and Chit Fund Co. (P) Ltd., Delhi.
9. Amrita Chit Fund (P) Ltd., New Delhi.
10. Jeewanvikas Chit Fund and Firm (P) Ltd., New Delhi.

11. Bagga Chit Fund (P) Ltd., New Delhi.

12. Suman Finance and Chit Fund Co. (P) Ltd., New Delhi.

(c) It is presumed that the reference is to the annual balance sheet required to be submitted to the Registrar of Chits under Section 16 of the Madras Chit Funds Act, 1961 as extended to Delhi. As the balance sheets are not yet due, there has been no default on the part of any company.

(d) Does not arise.

Yoga Institutions

1517. **Shri Hem Raj:** Will the Minister of **Health** be pleased to state:

(a) whether it is a fact **that the** Yoga Research Advisory **Committee** suggested giving of grants **to three** Yoga Institutions, two in **Bombay and** one in Delhi during 1963-64;

(b) if so, whether it is also a fact that the Bombay Yoga Institutes were given the grants whereas the Yoga Prasara Samiti, New Delhi was not given any grant in 1963-64; and

(c) if so, the reasons for this discrimination?

The Minister of Health (Dr. Sushila Nayar): (a) The Yoga Research Advisory Committee has recommended the evaluation of Yoga therapy in selected diseases of psychosmatic origin at the following institutions:

(1) I.C.Y. Health Centre, Kaivalyadhama, Bombay.

(2) Yoga Institute, Santa Cruz, Bombay.

(3) Yoga Prasara Samiti, Mandir Lane, New Delhi.

(b) The Yoga Research Advisory Committee has suggested that the possibilities of utilising the facilities available in the medical colleges at Bombay and those available under the Central Government Health Scheme in Delhi may be explored for undertaking scientific evaluation. The Committee also decided that an assessment of the requirements of the three institutions should be made. The actual requirements of these institutions for conducting the research is under examination. As such, no grant has so far been released as recommended by the Yoga Advisory Committee.

A grant of Rs. 37,000 has been given to the Kaivalyadhama S.M.Y.M. Samiti, Lonavla for undertaking research on nasography and effect of Yogic treatment on bronchitis and bronchial asthma and Rs. 13,500 to the Yoga Institute, Santa Cruz, Bombay for purchasing some equipments for the clinical and pathological laboratory. These grants are not based on the recommendations of the Yoga Research Advisory Committee.

(c) Does not arise.

Enquiry into a Dishonoured Cheque

1518. **Shri Hari Vishnu Kamath:** Will the Minister of **Finance** be pleased to refer to the reply given to Unstarred Question No. 275 on the 10th September, 1964 regarding the enquiry by the Income-tax Authorities into the matter of dishonoured cheque for over rupees one lakh given by a person in Calcutta and state:

(a) whether the penalty proceedings for concealment of income have been concluded; and

(b) if so, the result thereof?

The Minister of Finance (Shri T. T. Krishnamachari): (a) No, Sir.

(b) Does not arise.

12.12 hrs.

CALLING ATTENTION TO MATTERS OF URGENT PUBLIC IMPORTANCE

(i) Reported unearthing of a Pakistani spy ring in Delhi.

Shri S. M. Banerjee (Kanpur): I call the attention of the Minister of Home Affairs to the reported unearthing of a Pakistani spy ring in Delhi and arrest of seven persons with secret military documents.

The Minister of Home Affairs (Shri Nanda): Sir, I can understand the anxiety of Members over what has been reported . . .

Shri Hari Vishnu Kamath (Hoshangabad): Why only Members? The whole country.

Shri Nanda: Yes, the whole country. I can understand the anxiety of Members and the whole country over what has been reported in the papers as the operation of a spy ring in the country. All that I can say at the present stage of investigation is that seven persons have been arrested under section 3 of the Official Secrets Act as there were reasonable grounds to believe that they had passed on information bearing on secret matters to an officer of a diplomatic mission in Delhi.

Shri Nath Pai (Rajapur): Which one?

Shri Nanda: All the available clues and material are being closely examined with a view to ascertaining the full ramifications of this case. It is necessary in the public interest . . .

Shri Surendranath Dwivedy (Kendrapara): Public interest has now become private interest.

Shri Nanda: It is necessary in the public interest, including proper investigation of the case, that no further information should be made public at this stage. I would, therefore, appeal to the hon. Members not to press me to disclose more details.

This is a serious and delicate case and I do not wish to underestimate its implications. At the same time, I would like the House to take the fact of its detection as evidence of the continuous and painstaking vigilance being exercised over matters relating to national security.

Shri D. C. Sharma (Gurdaspur): There is no vigilance.

Shri Nanda: I can give an assurance that this vigilance will continue to be exercised.

Apart from vigorous investigation in progress, appropriate diplomatic action has been taken.

Shri S. M. Banerjee: I do not want to say something about this which will prejudice the inquiry. But I would only request the hon. Minister to kindly tell us whether he has seen the press release issued by the Information Section of the High Commission for Pakistan in India on 15th December 1964, under the heading: RUMOURS OF ANTI-INDIAN PROPAGANDA DENIED which says:

> "Some newspaper reports regarding the arrest of seven persons for alleged violation of Section 3 of the Official Secrets Act have named the Pakistan High Commission as involved with the persons in question. The High Commission emphatically repudiates the suggestion contained in these reports, and affirms that no officer of the Pakistan High Commission or anyone connected with it has indulged or is indulging in such activities. The implication of the Pakistan High Commission in these arrests is not only fanciful but mischievous."

Again, he has criticized us by saying:—

> "The High Commission of Pakistan has noted with regret that though the Hon'ble Minister of State for External Affairs' answer yesterday' . . . ."

that is, on the 14th etc. This reminds me of a saying in Hindi, namely, *chor ki dadhi men tinka.*

Mr. Speaker: No such comments are needed.

Shri Kapur Singh (Ludhiana): They are denying anything being said against Pakistan. Why should we complicate matters unnecessarily?

Shri S. M. Banerjee: I want to know whether.....

Mr. Speaker: This is just being investigated.

Shri S. M. Banerjee: I am not saying about the investigation at all.

Mr. Speaker: Why should he make such comments?

Shri S. M. Banerjee: I want to know whether his attention has been drawn to this press release of Pakistan and, if so, what is the reaction of Government to that?

Shri Nanda: I see comments of this kind which appear in the press every day.

Shri S. M. Banerjee: Not appearing in the press; it has been circulated.

Shri Nanda: Yes; I have seen it.

Shri S. M. Banerjee: What is your reaction to that?

Shri Nanda: I have answered that.

Shri S. M. Banerjee: This is mischievous.

Shri D. C. Sharma: May I know if, in view of the fact that there is a spy ring in this country and its ramifications are being investigated and the Home Minister is not prepared to reveal anything in the public interest, what extraordinary precautions have been taken in the form of police personnel or in the form of something else in order that this enquiry is conducted in the best possible manner and the spy ring is unearthed in the shortest possible time?

Shri Nanda: They will cease to be precautions if I disclose them here; but the best possible efforts are being made in this matter.

श्री प्रकाशवीर शास्त्री : (बिजनौर): राज्य के रहस्यों को प्रकट करने के सम्बन्ध में ये सात अभियुक्त गिरफ्तार किये गये हैं। पहले भी भारत सरकार के कुछ रहस्यों को प्रकट करते हुए व्यक्ति पकड़े गये थे। मैं जानना चाहता हूं कि क्या उन के साथ इनकी श्रंखला कुछ मिलती जुलती है ?

अध्यक्ष महोदय : यह तो इनवैस्टीगेशन से पता चलेगा।

श्री नन्दा : सब कुछ देखते हुए चलेंगे।

Shri Hari Vishnu Kamath: Has Government received reports from civil Intelligence and other more reliable sources to the effect that Pakistani spies—these who have been apprehended; maybe, others also—are acting in collusion or collaboration or in close liaison with the Chinese Embassy here and with Missions of some other countries whose governments are more friendly to China than to India, and does the Minister propose to clarify what he said in his statement that the Official Secrets Act has been invoked against these spies? Why should they, the Pakistani spies not be arraigned for treason to this country?

Shri Nanda: It is a very long statement about farflung ramifications. I cannot say anything about it.

Shri Hari Vishnu Kamath: The first part of the question was whether he has received reports from Intelligence that Pakistani spies are acting in close liaison or collaboration with the Chinese Embassy here and with Missions of other countries whose governments are more friendly to China than to India.

Mr. Speaker: Would that also not be discovered after the enquiry is completed?

Shri Hari Vishnu Kamath: Enquiry

[Shri Hari Vishnu Kamath]

is against the spies now arrested; but the Government is supposed to be a wide-awake government. They receive reports from time to time.

Mr. Speaker: He feels that that might prejudice the enquiry at this moment if he discloses some other facts.

Shri Hari Vishnu Kamath: I have not mentioned any country. I have said "some countries which are more friendly to China than to India".

Mr. Speaker: At this time probably he does not wish to give more details. He has appealed to the hon Members . . .

Shri Hari Vishnu Kamath: Does he propose to prosecute them for treason and not merely under the Official Secrets Act?

Mr. Speaker: That is hypothetical. Let the result of the inquiry be known.

Shri Nath Pai: Sir, earlier when another spy, an official of the Air Force was caught, the Parliament had demanded that the most deterrent punishment should be awarded to these traitors. A lenient view was taken by the late Prime Minister and now we are paying the penalty and their crop is growing in the country. If we get sufficient evidence, will the most deterrent punishment be awarded to these traitors?

Shri Nanda: Does that need any assurance? I think no leniency, no mercy, can be shown of any kind to them. The worst that can be done to these persons will be done.

Shri Hari Vishnu Kamath: Death penalty; hang them.

Shri Hem Barua (Gauhati): In view of the fact that anti-India activities by Pakistan inside this country have mounted up, namely, (a) Pakistani agents indulging in sabotage, in the State of Jammu and Kashmir, (b) the existing Pakistan High Commissioner's office in Shillong engaging in sabotage there and at the same time encouraging the Naga hostiles in their demand for independence . . . and (c) . . .

Shri D. C. Sharma: On a point of order, Sir.

Shri Hem Barua: . . . and (c) the Pakistani High Commissioner in the capital organising a deep-seated spy ring in the country in collusion with Indians, in view of all that, may I know why is it Government instead of succumbing to this organised will of the Pakistanis in this country have not so far prosecuted any of these Indians involved in this nefarious activity for treason and hanged them, if necessary?

Shri Hari Vishnu Kamath: Let them be hanged.

Shri D. C. Sharma: On a point of order, Sir. The hon. Minister made an appeal that we should not put such embrassing questions. I accepted the plea but I want to ask one question . . . (*Interruption*). I cannot address the hon. Members. I can address the hon. Members only through you, Sir. We are here discussing the unearthing of a spy ring in Delhi and the gentleman has brought in Jammu and Kashmir, has brought in Nagaland and has brought in previous cases. Is that fair to the hon. Member or to the hon. Minister or to the hon. Government?

Shri Hem Barua: May I submit, Sir,.....

Mr. Speaker: No, Sir.

Shri Hem Barua: There was an allegation made....

Mr. Speaker: No, Sir. So far as the appeal is concerned, it is left to the good sense of the hon. Members. I cannot enforce it. (*Interruption*) When I speak, then too I am interrupted. I am very sorry in that respect. It is for the Members whether they heed that appeal or not. I cannot enforce that. I have no powers

to do that. So far as the other question is concerned, I agree with Mr. Sharma that those other things were not relevant here just in the question that was put. Shri Sidhanti.

Shri Hem Barua: May I clarify my position?

Mr. Speaker: I have called Mr. Sidhanti. He will kindly resume his seat.

श्री जगदेव सिंह सिद्धान्ती : (झज्जर): क्या भारत सरकार को इस बात का पता है कि पाकिस्तानी जासूसों के इस प्रकार साहस करने का कार्य भारत रहने वाले कुछ विशिष्ट नागरिकों के कारण हुआ है । यदि ऐसा सिद्ध हो जाये तो क्या गृह मंत्री कठोरता से उन को दंड देने के लिये पग बढ़ायेंगे ?

अध्यक्ष महोदय : यह सवाल तो हो गया और जवाब भी हो गया ।

Shri Kapur Singh: Since my party stands for Indo-Pakistan amity, I yield to the appeal made by the Home Minister and I do not put any question.

Mr. Speaker: Shri Onkarlal Berwa.

Shri D. C. Sharma: On a point of order, Sir.

Mr. Speaker: Order, order. On every question a point of order?

Shri D. C. Sharma: My point of order is this....

Mr. Speaker: There is no point of order.

Shri D. C. Sharma: You have ruled that no policy statement be made in this House in the Question Hour. How, that gentleman is giving vent to the policy of his Party. We also want Indo-Pakistan amity....

Mr. Speaker: There is no point of order. He will kindly resume his seat.

I will appeal to the Members that they should not do so. Whenever an hon. Member rises in his seat, that gives me an impression that he wants to put some question and when I call him, he has only to say that he does not want to put any question.

Shri Kapur Singh: May I explain...

Mr. Speaker: That is not necessary.

श्री ओंकार लाल बेरवा (कोटा) : मैं जानना चाहता हूं कि जो पाकिस्तानियों का मान आदमियों का गिरोह पकड़ा गया है वह कब से ऐसी हरकतें कर रहा था, और क्या उस में दिल्ली के नागरिकों का भी कोई हाथ था ।

अध्यक्ष महोदय : इस बात का पता तो एन्क्वायरी में चलेगा ।

श्री ओंकार लाल बेरवा : वह कब से ऐसी हरकतें कर रहा था क्या यह भी पता नहीं है ?

Shri Hem Barua: On a point of personal explanation....

Mr. Speaker: Nothing has been said against the hon. Member.

Shrimati Yashoda Reddy (Kurnool): I do not want to put any embrassing question . . .

Mr. Speaker: Why this preface? It would be judged from the question that she puts whether it is embarrassing or not.

Shrimati Yashoda Reddy: I would like to have an assurance from the hon. Home Minister. The Members of Parliament and the people of India feel that the Ministry of Home Affairs have not been very active with regard to their Intelligence on this matter. I hope that at least in the future the Ministry will come up to our expectations and will not let these things happen again.

Mr. Speaker: The hon. Member has not asked any question. Now, next item.

श्री रामेश्वरानन्द (करनाल) : अध्यक्ष महोदय, मेरा भी नाम था ।

अध्यक्ष महोदय : स्वामी जी को तो जो अपील की गई उसे सूनना चाहिये था ।

"नमन्ति फलिनो वृक्षा: नमन्ति गुणिनो जना:"

श्री रामेश्वरानन्द : अगर आप मुझ पर ही यह श्लोक लागू करते हैं तो मैं माने लेता हूं, लेकिन और कोई इस उपदेश को मानने के लिये तैयार नहीं है ।

(ii) STRIKE BY DELHI MILK SCHEME EMPLOYEES—*contd.*

Mr. Speaker: We shall now take up the calling-attention notice relating to the Delhi Milk Scheme. The hon. Minister of Food and Agriculture may make his statement now.

The Minister of Food and Agriculture (Shri C. Subramaniam): I am sorry I was not present in the House yesterday when this matter was raised.

I would like to give a few facts to the House so that it may appreciate the situation better with regard to the Delhi Milk Scheme.

In June, after I took over this portfolio, I made a scrutiny of the state of affairs in the Delhi Milk Scheme, and I thought that it should be properly investigated by an expert committee. An expert committee under the chairmanship of Shri Kurien of Anand was appointed to go into the affairs of the Delhi Milk Scheme and make recommendations for the betterment of the Delhi Milk Scheme. The committee did make many recommendations, the two main recommendations being as follows. The first was that the Delhi Milk Scheme instead of being run as a part of the Department of Agriculture should be converted into a commercial organisation by being registered as a company, under the company law, to be owned completely by Government, and the other was with reference to the contract system for the supply of milk to the Delhi Milk Scheme, which has been causing difficulties with regard to the supply of milk to the Delhi Milk Scheme.

It is in pursuance of the first recommendation that we have been exploring the possibility of the Delhi Milk Scheme being converted into a public limited company.

In August, when I visited the Delhi Milk Scheme, I gave expression to this point of view that there was a proposal to convert the Delhi Milk Scheme into a public limited company, when apprehensions were expressed by the workers there that by this conversion, their terms and service conditions might get affected. Then I gave an assurance to the workers there in a public meeting that as far as the present employees were concerned, Government would do everything to see that their service conditions were not adversely affected by this conversion, and I thought that the workers also were satisfied with this assurance. In addition to this, at that time, because we had also to make some changes in the management since we thought that the management was not efficient enough to conduct the affairs of the Delhi Milk Scheme, we got on loan the services of a very able officer from Gujarat, who has now been put in charge of the Delhi Milk Scheme.

Last month, there was a demonstration in front of my house by some workers of the Delhi Milk Scheme protesting against this conversion. I sent for some of the representatives of the workers who had assembled there and reiterated to them the assurance which I had already given.

Again, this month the workers wanted to see me in this connection. On the 15th, I gave an appointment to those representatives of the employees there. Again I assured them that in case the conversion was going through, the service conditions, rights and privileges of the existing employees would not, in any way, be adversely affected, and they need not have any apprehension about it. They again expressed their view that this conversion should not go through, that they should continue to work as part of the Department of Agriculture, to which I said that we had to consider this from the aspect of the interests of the community for whose benefit

the DMS was intended, and as far as the workers were concerned, they should be interested only in their rights and privileges being properly safeguarded.

Then they presented a memorandum to me. I refused to accept it for two reasons: first, because of the indecorous language which had been employed in it, and second, there were demands on the basis that this conversion should not go through. Therefore, I refused to accept it and advised them to give a memorandum indicating what were the rights and privileges which they wanted to be safeguarded in case of conversion. I asked the Chairman also, if such a memorandum was presented, to examine it and put it before me for perusal.

I thought that the representatives wards. I found that they had still not given. As a matter of fact, at that time a suggestion was made that this assurance should be given in writing. I said 'I gave the assurance not only here; I have publicly given this assurance'. I told them that a written assurance is not going to have greater sanctity than the assurance I had already given to them. I thought they were satisfied about it.

Then I retired to my room. Afterwards, I found that they had still not left, that there was some altercation going on in the corridor of my house. I came out and told them that now that they had made a representation, they should get out of the house without making a further scene.

Then at about midnight—a little after midnight—I received a phone call and I was informed that there was a strike in the Delhi Milk Scheme. I immediately contacted, Shri K. N. Pande, an hon. Member of this House, who happens to be President of the INTUC union, Delhi branch. I asked him to proceed to DMS, and if possible, find out what was their grievance, and have the matter settled so that the people may not be put to difficulty with regard to the supply of milk. The hon. Member was good enough to proceed immediately to the DMS. From there, he phoned me up and said that they wanted a written assurance with regard to the assurance I had already given that their service terms would not in any way be affected. Then I instructed the Chairman to give that written assurance and persuade the employees to go back to work and see that the supply of milk was maintained the next morning. I am glad that with a written assurance, the employees went back to work.

But the point for the consideration of the House is whether, particularly in a matter of an essential supply, for the daily needs of the people, the employees of an organisation like this, whether there is provocation or not, whatever might be the provocation, even if there should be provocation should go on a strike and cause inconvenience to millions of inhabitants, the citizens of Delhi. I think this House should make it clear that whatever might be the grievances, there are other methods to get redress of those grievances and they should not resort to a strike, causing inconvenience to the citizens of Delhi, particularly children who have to depend on the DMS for supply of milk the next morning. Therefore, it is not only the ordinary citizen, but even children, who are affected.

I find this is the fourth time that they went on strike and something had to be done immediately for the purpose of averting a strike and getting them back to work.

This is the main picture I would like to place before the House. Even with regard to conversion, this House will have to take a view in this matter, whether in these matters, the interests of the community as a whole should predominate or we should care more for the interests of a few employees who have got employment in the institution. This will have to be kept in mind No doubt, we shall try, as far as possible, to see that their interests are not affected. But I feel—and I hope the House will

[Shri C. Subramaniam]

agree with me—that in taking decisions the interests of the community should be kept in the forefront.

Some hon. Members: Yes, yes.

Shri Hari Vishnu Kamath: On a point of clarification....

Shri Nath Pai: From this plethera of words, can we get regular supply of milk?

Shri S. M. Banerjee: From the statement, it appears that a written assurance was given to the employees of the organisation and they resumed work. I would like to know whether a final decision has since been taken to convert this into a limited company, and if so, whether Government are considering having one of their representatives as one of the members of the board so that the fear about their service conditions being jeopardised as a result of the changeover may be allayed.

Shri C. Subramaniam: It is still under examination.

श्री यशपाल सिंह (कैराना) : दिल्ली मिल्क सप्लाई का दूध दिल्ली की जनता को बोतलों में पूरे 96 घण्टे के बाद मिलता है और वह बदबूदार और खट्टा दूध यहां के निवासियों को सप्लाई किया जाता है तो क्या सरकार यह बतला सकती है कि अब जब यह दिल्ली मिल्क सप्लाई एक लिमिटेड कंसर्न बनने जा रही है तो क्या दिल्ली वासियों को अब ताजा दूध मिल सकेगा और वर्कर्स को स्ट्राइक पर नहीं जाना पड़ेगा ?

Shri C. Subramaniam: It will be our endeavour to see that the quality of the milk improves as much as possible, but for that the co-operation of the employees is also required. It is not as if merely by a directive from Government that the quality can be improved. Everybody will have to co-operate towards that, and it shall be our endeavour to see that good quality milk is supplied.

Shri Nambiar (Tiruchirapalli): In view of the fact that on several previous occasions when departmental agencies had been converted into limited concerns—just like the Janpath Hotel conversion—many workers had to suffer, giving up their permanent service or continuity of service, will it be ensured that that will not be repeated in this case? Can an assurance to that effect be given?

Shri C. Subramaniam: I thought I had given that assurance to the workers; not only an oral assurance, but at the threat of a strike, I had given a written assurance also, to save the public.

Shri Umanath (Pudukkottai): In today's papers it has appeared that the union officials said that they have been assured that their present privileges will be protected. Immediately there is a contradiction from the DMS officials saying that they have been assured only that 'their present privileges will not be adversely affected'. I think the hon. Minister also repeated very carefully the expression 'will not be adversely affected'. I want to know the difference between 'protection of the present privileges' and 'present privileges not adversely affected'. Why this distinction?

Shri C. Subramaniam: If there is no distinction, the hon. Member need not press the point.

Shri Umanath: Why are you so careful about those words?

Mr. Speaker: He says there is no distinction.

Shri C. Subramaniam: I am using the words which had been used in the written assurance. It is that 'the rights and privileges of the employees of the Delhi Milk Scheme will not be adversely affected'. Therefore, I thought it would be better to adhere to the words which had been used in the assurance given.

Shri K. N. Pande: (Hata): May I say something?

Mr. Speaker: Papers to be laid on the Table.

PAPERS LAID ON THE TABLE

PAPERS UNDER TARIFF COMMISSION ACT

The Deputy Minister in the Ministry of Commerce (Shri S. V. Ramaswamy): On behalf of Shri Manubhai Shah, I beg to lay on the Table a copy each of the following papers under sub-section (2) of section 16 of the Tariff Commission Act, 1951:—

(1) (i) Report (1964) of the Tariff Commission on the continuance of protection to the Titanium Dioxide Industry.

(ii) Government Resolution No. 4(1)-Tar/64, dated the 14th December, 1964.

(iii) Statement explaining the reasons why a copy each of the documents at (i) and (ii) above could not be laid on the Table within the period prescribed in the said sub-section.

[*Placed in Library. See* No. LT-3640/64].

(2) (i) Report (1964) of the Tariff Commission on the continuance of protection to the Calcium Carbide Industry.

(ii) Government Resolution No. 12(I)-Tar/64, dated the 14th December, 1964.

(iii) Statement explaining the reasons why a copy each of the documents at (i) and (ii) above could not be laid on the Table within the period prescribed in the said sub-section.

[*Placed in Library. See* No. LT-3641/64].

(3) (i) Report (1964) of the Tariff Commission on the continuance of protection to the Soda Ash Industry.

(ii) Government Resolution No. 10(3)-Tar/64, dated the 14th December, 1964.

(iii) Statement explaining the reasons why a copy each of the documents at (i) and (ii) above could not be laid on the Table within the period prescribed in the said sub-section.

[*Placed in Library. See* No. LT-3642/64].

(4) (i) Report (1964) of the Tariff Commission on the continuance of protection to the Caustic Soda Industry.

(ii) Government Resolution No. 10(2)-Tar/64, dated the 14th December, 1964.

(iii) Statement explaining the reasons why a copy each of the documents at (i) and (ii) above could not be laid on the Table within the period prescribed in the said sub-section.

[*Placed in Library. See* No. LT-3643/64].

(5) (i) Report (1964) of the Tariff Commission on the continuance of protection to the Aluminium Industry.

(ii) Government Resolution No. 1(1)-Tar/64, dated the 9th December, 1964.

[*Placed in Library. See* No. LT-3644/].

(6) (i) Report (1964) of the Tariff Commission on the continuance of protection to the Dyestuff Industry.

(ii) Government Resolution No. 14(1)-Tar/64, dated the 14th December, 1964.

[Shri S. V. Ramaswamy]

(iii) Government Notification No. 14(1)-Tar/64, dated the 14th December, 1964, imposing custom duties on coupling dyes of Naphtol groups.

(iv) Government Notification No. 14(1)-Tar/64, dated the 14th December, 1964, imposing custom duties on certain articles.

[*Placed in Library. See* No. LT-3645/64].

NOTIFICATIONS UNDER CUSTOMS ACT AND CENTRAL EXCISE AND SALT ACT

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): I beg to lay on the Table:

(1) a copy each of the following Notifications under section 159 of the Customs Act, 1962 and section 38 of the Central Excises and Salt Act, 1944, making certain further amendments to the Customs and Central Excise Duties Export Drawback (General) Rules, 1960:—

(i) G.S.R. 1704 dated the 5th December, 1964.

(ii) G.S.R. 1705 dated the 5th December, 1964.

(iii) G.S.R 1706 dated the 5th December, 1964.

[*Placed in Library. See* No. LT-3646/64].

(2) a copy each of the following Notifications under section 159 of the Customs Act, 1962:—

(i) G.S.R. 1707 dated the 5th December, 1964.

(ii) The Manufacture in Customs Bonds (General) Amendment Rules, 1964, published in Notification No. G.S.R. 1708 dated the 5th December, 1964.

(iii) G.S.R. 1709 dated the 5th December, 1964.

(iv) G.S.R. 1710 dated the 5th December, 1964.

(v) G.S.R. 1711 dated the 5th December, 1964.

(vi) G.S.R. 1736 dated the 1st December, 1964.

(vii) G.S.R. 1737 dated the 1st December, 1964.

[*Placed in Library. See* No. LT-3647/64].

12.39 hrs.

MESSAGES FROM RAJYA SABHA

Secretary: Sir, I have to report the following messages received from the Secretary of Rajya Sabha:—

(i) 'In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Mineral Oils (Additional Duties of Excise and Customs) Amendment Bill, 1964, which was passed by the Lok Sabha at its sitting held on the 3rd December, 1964, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill.'

(ii) 'In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 15th December, 1964, agreed without any amendment to the Provisional Collection of Taxes (Amendment) Bill, 1964, which was passed by the Lok Sabha at its sitting held on the 27th November, 1964.'

12.40 hrs.

BANKING LAWS (APPLICATION TO CO-OPERATIVE SOCIETIES) BILL*

The Minister of Finance (Shri T. T. Krishnamachari): I beg to move for leave to introduce a Bill further to amendment the Reserve Bank of India Act, 1934, and the Banking Companies Act, 1949, for the purpose of regulating the banking business of certain co-operative societies and for matters connected therewith.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Reserve Bank of India Act, 1934, and the Banking Companies Act, 1949, for the purpose of regulating the banking business of certain co-operative societies and for matters connected therewith".

The motion was adopted.

Shri T. T. Krishnamachari: I introduce† the Bill.

DEMAND FOR SUPPLEMENTARY GRANT (RAILWAYS)—*Contd.*

Mr. Speaker: The House will now take up further discussion and voting on the Supplementary Demand for Grant in respect of the Budget (Railways) for 1964-65.

Out of two hours allotted, one hour and 35 minutes have been taken already; 25 minutes still remain.

Shri S. M. Banerjee (Kanpur): Can I have five minutes?

Mr. Speaker: All right. Nobody has stood up.

Shrimati Lakshmikanthamma (Khammam): I have asked for some time.

Mr. Speaker: She is not in her seat.

Shrimati Lakshmikanthamma: I think for discussion, we need not be in our seats. Only in the Question Hour.

Mr. Speaker: No.

Shri S. M. Banerjee: Generally, when it is a question of granting some money we give ungrudgingly, but we find that there is a lot of extravagance in the Railway Ministry.

Previously, when the Supplementary Demand came up in this House, I pointed out how a particular training centre is being shifted from Sealdah to Dhanbad. It is something surprising that this particular instiution in Sealdah, which has enough accommodation, is being shifted to Dhanbad only because it was decided by the then Minister that it should be in Dhanbad for reasons best known to himself.

The Public Accounts Committee also went into the problem, and my information is that they also thought that this was nothing but extravagance on the part of the railways, and I put a question to the hon. Minister whether such extravagance should be allowed at this hour when every rupee available should be properly utilised for the welfare of the country and the welfare of the railway employees.

My information is that the building has been completed and Rs. 40 lakhs have been spent in Dhanbad, and that another Rs. 30 to Rs. 35 lakhs will be spent again on further construction.

It is very good that the Public Accounts Committee went into this question and it has been suspended temporarily. I do not expect the Minister to give a definite reply here and now without knowing. . .

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*Published in Gazette of India—Extraordinary, Part II, Section 2, dated 17-12-64.

†Introduced with the recommendation of the President.

Mr. Speaker: No Member should stand in the passage and talk to others.

Shri S. M. Banerjee: Growing indiscipline!

Mr. Speaker: For which Members on every side are responsible.

Shri Hari Vishnu Kamath (Hoshangabad): They are more in numbers, so they are more responsible.

Mr. Speaker: I will not apportion like that.

Shri S. M. Banerjee: So, I would request the hon. Minister to kindly consider this, go through this carefully, and see whether this spending is for extravagance or for the employees.

This institution can be expanded in Sealdah itself. Otherwise, all these students who have come from far-off places will be uprooted. The staff is going to be uprooted, and moreover, the shifting of this particular railway training institution from Sealdah to Dhanbad is useless. That is why I resquest the Railway Minister and the Minister of Finance also to consider this matter before it is finalised.

Shrimati Lakshmikanthamma: I support this Supplementary Demand for Grant for the railways.

If, in the process of the development of this vast country, one's constituency is also benefited, nobody will be more happy than the concerned Member. This Bhadrachalam Road is in my constituency; it is only another name for Kothagudem, where the vast Singareni coal fields are lying. Bhadrachalam is 20 miles from Bhadrachalam Road. There is no Kothagudem station, and Bhadrachalam Road is only another name for Kothagudem. It is only proper that Government has come forward with this Demand for a token grant of Rs. 10,000, with a view to providing employment for the displaced persons as well as developing the Dandakaranya region and making it an industrial complex.

As I said, Bhadrachalam is 20 miles from Bhadrachalam Road. There is a river between Kothagudam and Bhadrachalam. Just now I enquired of the Minister whether a survey was also being made for a bridge cross the river Godavari. Yesterday, my hon. friend Shrimati Reddy has already mentioned about it.

This Bhadrachalam has got great importance. We have been talking of national integration, Hindu-Muslim unity etc. So, I may tell you in a few words the importance of Bhadrachalam. A person by the name of Gopanna, afterwards Called Ramdas, was a tehsildar who used the funds of the Government for the construction of a temple, and he was imprisoned by the then ruling Tanesa, who was ruling Hyderabad. Later, Rama himself seems to have appeared before the Tanesa personally and paid back the dues. Hence, the rulers of Hyderabad had great regard for this temple, and even now they participate in the Sri Rama Navami festival. So, God can have no distinction between a Muslim and a Hindu. He appeared before the ruler of Hyderabad, who was a Muslim. The public of Andhra Pradaesh have also donated Rs. 20 lakhs for the renevation of this temple. It is but proper that now the long-cherished dream of the people and devotees of Bhadrachalam is coming true by this rail link in the process of development.

We have been discussing about the development of the tribal and backward areas. Nobody can overlook the importance of communications in the development of these tribal areas. So, I am very happy that in this railway line most of the areas linked up will be tribal areas. Kunavaram, for instance, is adjacent to my constituency, in another district, Bhadrachalam is in my own district. There are vast mineral resources in Kothagudam, and the link with Bailadila will provide for the development of this area into an industrial complex, and for the employment of many of these tribal people in this area. I am very glad that after discussions bet-

ween the Planning Commission, the Ministry of Rehabilitation and the Finance Ministry, they have realised the urgency of this survey, and are also saving the time of one year. I support and welcome this project and wish them all success.

Shri U. M. Trivedi (Mandsaur): I will not take long. Since it is a question of a Supplementary Demand for the railways and a question of a new plan being made, I will make one request to the Ministry that when all is said and done, when they want to undertake so many works, they must apply their mind to their own organisation, particulrly the framing of the Establishment Manual which goes on changing, with the net result that the poor employees suffer various hardships on account of interpretation of vague words in a manner detrimental to the interests of the poor employees.

At certain places, the question of promotion, for instance, is decided on the basis of the date of appointment, at another place on the basis of the date of the person coming into a particular category, at a third place on the basis of the date of his securing promotion in a particular cadre, in a fourth place on the basis of his age at entry, and in yet another place on the basis of the number of years that a man has been in a particular category. All these various interpretations for the same type of service all over India is a great handicap for the employees.

Why should there not be a single Establishment Manual for the whole of India, properly laying down the principles by which the employees should be governed. I fail to see why the General Manager's Conference does not come to a final conclusion that this must be the process by virtue of which the question of employment, the question of future promotions etc., will be governed.

Dr. M. S. Aney (Nagpur): You are speaking only of the railways

Shri U. M. Trivedi: I am concerned only with railways now. This is a very vexing question. Even the discipline and appeal rules that are framed by the railways are framed at zonal levels. I do not know why? Why cannot the rules be prepared in the Centre. In various High Courts these questions come up and one zone has one rule and another zone has another rule. We are talking of standardistation but there is no standardication available even for the employees. In one place one man gets the night allowance for a particular duty, while in another place one does not get for the same kind of duty. There are such dissimilarities in the matter of the provision of uniforms, promotions, and so on. How long will it go on like this? It is high time that a commission or committee was appointed to go into these establishment manuals and give them a final shape so that the employees may know the conditions of service and so that there may be uniformity in these things all over India. They should not be left to the mercy and sweet will of individual officers who give their own interpretation. One general manager says one thing; another general manager in another zone says another thing. It has gone too far and some uniformity should be brought in this matter without any more delay.

Shri D. C. Sharma (Gurdaspur): Sir, I support these demands. Even though Bhadrachalam is thousands of miles away from my constituency, I support these demands. I will go and visit this temple where such great favours are bestowed by our Gods....

Mr. Speaker:. Is he waiting for some invitation to come from some Members who are there?

Shrimati Lakshmikanthamma: I welcome all hon. Members.

Shri D. C. Sharma: I will go and propitiate the divine being there because I have not had any grace from any God so far.....

Shri U. M. Trivedi: Because your name is Devan and Chand and not the name of any God.

Shri D. C. Sharma: I charge the Ministry of Rehabilitation and the Ministry of Finance for neglecting these areas for so long. They have

[Shri D. C. Sharma]

been guilty of something which is injurious to our national development and national welfare. Why have they not decided upon the development of this area much earlier? It is so rich in iron ore, coal, hydro-electric potential and it can also house a steel plant. What are the members of the Planning Commission doing?

My third point is this. It is very unfortunate that the Public Acocunts Committee has made one remark Supplementary grants are not very welcome; so far as our fiscal policies are concerned, we should have as few supplementary grants as possible. But here is a wise decision taken by the Public Accounts Committee; you should restrict the grant to a token amount. So that we need not have one supplementary grant but a serious of them. Is it good? Is it in the interest of the fiscal health of any democracy in any part of the world?

My fourth point is this. You are developing so many areas for industrial development. I welcome them. But I want to ask the Railway Minister one question. What has he done with regard to the strategic railway-line which we want from Pathankot to Jammu or Udhampur? Do you not thing that we are in grave danger all the time, at the hands of Pakistan? But here the wisemen of the Railway Ministry, the great lords of the Defence Ministry and the great men of the Finance Ministry—all these persons are sleeping over it. Are they Rip Van Winkles? When will they wake up? He woke up after 20 years? We have had 17 years of independence in this country. Will they wake up after 20 years? I want to have one categorical answer from them. I submit very respectfully that the Railways should be built immediately on a top priority basis from Pathankot to Jammu, if not from Pathankot to Udhampur. Finance should be no consideration. Other things should be ruled out. Because the integrity of our country, the security of our country demand it; the sovereignty of our country is put in danger every time by Pakistan's cease fire violations, by having spy rings and infiltrators and smugglers in this country; we should guard against them. Something should be done about it.

श्री रघुनाथ सिंह (वाराणसी) : अध्यक्ष महोदय, मैं केवल अपनी कांस्टिट्युएंसी के दो विषयों की ओर आपका ध्यान आकर्षित करना चाहता हूं। आज से करीब बारह बरस से एक मामला रेलवे बोर्ड के सामने पैंडिंग है। बापतपुर और सालिसपुर के बीच में एक हाल्ट स्टेशन होना चाहिये। कम से कम पांच सात बार इसके बारे में इनक्वायरी हो चुकी है लेकिन जो इनक्वायरी रिपोर्ट है वह हर बार दब जाती है। यह मामला बारह बरस से चलता आ रहा है। यहां हमारे शहर का एक सुबर्ब है, वहां पर हाल्ट स्टेशन क्यों नहीं खोला जाता है, यह मेरी समझ में नहीं आया है। मैं चाहता हूं कि इस ओर ध्यान दिया जाए।

दूसरी बात यह है कि चौखंडी और लोटा के बीच में एक हाल्ट स्टेशन बहुत दिन हुए खोल दिया गया है। लेकिन वहां पर सिर्फ एक ही पैसेंजर ट्रेन रुकती है। उस लाइन पर से तीन चार पैसेंजर ट्रेंज गुजरती हैं। इसके बारे में बहुत लिखा पढ़ी की जा चुकी है कि ये जो तीन चार ट्रेंज हैं इनको एक एक मिनट के लिए वहां रुकवाया जाए लेकिन उसका कोई इंतजाम नहीं किया गया है। मैं चाहता हूं कि इस ओर भी आपका ध्यान जाए।

अब मैं लेट रनिंग आफ ट्रेंज के बारे में थोड़ा सा निवेदन करना चाहता हूं। बावजूद इसके कि इतने दिन . .

अध्यक्ष महोदय : सब चीजें तो इसमें नहीं आती हैं।

श्री रघुनाथ सिंह : मैं खत्म कर रहा हूं। जिस किसी ट्रेन में हम बैठते हैं, यह गारंटी

नहीं होती है कि वह ठीक समय पर पहुंच जाएगी . .

अध्यक्ष महोदय : जहाज की गारंटी होती है ?

श्री रघुनाथ सिंह : जहाज की बिल्कुल गारंटी है और वहां कम्पलीट सेफ्टी है । उससे ज्यादा और कहीं सेफ्टी है ही नहीं । लेट रनिंग आफ ट्रेंज के मामले में अधिक सुधार नहीं हुआ है । इस में भी अगर सुधार हो जाए तो अच्छा है ।

The Deputy Minister in the Ministry of Railways (Shri Sham Nath): Sir, I am very grateful to the hon. Members who have given some concrete suggestions in the course of the consideration of this item for better and more efficient working of the Railways. They have also spoken about the need for rail connections in their areas and pleaded for undertaking surveys for new line. It would not be possible for me to reply to all those suggestions individually or to say something in respect of each of them. But I would like to assure them that all their suggestions in regard to surveys and new projects will be fully considered and whatever is possible will be done in respect to them. I would, however, like to invite the attention of the hon. Members who have made these suggestions and tried to impress in regard to the need for surveys for new lines and new links to the fact that the resources of the Ministry of Railways are limited. Up to now, it has not been possible for us to know how much money will be available to the railways in the Fourth Plan. The Fourth Plan is still in a formative stage and final decisions in regard to different suggestions could only be taken after it was known how much money will be available to the railways in the Fourth Plan for taking up new projects.

13 hrs.

There was some reference to the Godavari river and it was asked whether the survey would include the provision of a bridge across the Godavari near Bhadrachalam. I would like to say that this survey does include a provision for investigation in regard to such a bridge across the Godavari near Bhadrachalam.

Sir, I would like to submit that this demand which has been presented is not for the sanctioning of any additional funds as such. It is only because the survey involves an expenditure of more than Rs. 1,00,000, it has been regarded as a new instrument of service, and therefore, it is necessary for the Railway Ministry to obtain the specific approval of Parliament. This survey to which approval is now sought is an engineering-cum-traffic survey for a rail connection between Dantewara, which is a station on the new line now under construction from Bailadilla to Kottavalasa, and Bhadrachalam Road. In regard to the potentialities of this area and the reason why it has been decided to undertake a survey, I think it is not necessary forme to say anything, because, as hon. Members are very well aware, this region has great industrial potentialities, and it is expected that after a rail line is provided in this region, it will be possible to develop this area, and its regional complex of industries will be of considerabe importance.

So, without taking more time in regard to this, I would like to say few words about a suggestion that was made by my hon. friend Shri Sivamurthi Swamy for providing a railway line in his area. In respect to that I wish to inform him that concurrently with the detailed investigation of the rich iron ore deposits of the Hospet-Bellary area, an engineering-cum-traffic survey has already been included in the current year's budget for investigating the feasibility of conversion to broad gauge of the metre gauge line from Hospet to Marmgoa and the northward link from Londa to Miraj.

[Shri Sham Nath]

With these few words, I would request the House to grant these supplementary demand.

Shri Nambiar (Tiruchirapalli): I had put a specific question that with the coming into operation of the new zone that is to emerge out of the Southern Railway and the Central Railway, beacuse of the operational necessity and the purposes for which this new rail is construtced, it will be better served by the new zone. That point has not been replied to.

Mr. Speaker: He has given an omnibus reply that all the suggestions will be considered.

The question is:

"That a supplementary sum not exceeding Rs. 10,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1965, in respect of Demand No. 2—'Miscellaneous Railway Expenditure'."

The motion was adopted.

13.07 hrs.

MOTION RE: STATEMENT ON ESTABLISHMENT OF NEW ORDNANCE FACTORIES—*contd.*

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shri Ranga yesterday, namely:

"That this House takes note of the statement made on the 20th November, 1964 by the Minister of Defence Production on the establishment of new Ordnance Factories."

Shri Sham Lal Saraf. After his speech, the Minister has to reply, as announced yesterday.

Shri Sham Lal Saraf (Jammu and Kashmir): Mr. Speaker, Sir, I have listened to some of the speeches made yesterday and I feel that out of them two things, in the main, emerge. Firstly, it is the location of the ordnance factories; secondly, the dispersal of those factories. I may add that, thirdly, the point raised was, why in spite of the six factories promised, only four have been under consideration, and fourthly, the Minister's statement—I do not know whether the Minister said it or not—that owing to the fact that foreign exchange was not available, two more factories could not be set up.

Personally, I feel that while setting up the ordnance factories, one or two things have to be kept in mind, particularly, when it is the question of dispersal of industries as such. The dispersal of such industries is decided upon after the consideration of such aspects as availability of raw material more than those considerations such as the facilities available in regard to power and so forth. In the setting up the ordnance factories, I feel the main purpose is one of protection, how they can be protected from becoming a target of an enemy attack tomorrow, in case the country is at war with any other country. Secondly, apart from considerations such as the availability of power, technical manpower, transport facilities and so on and so forth, I feel that as far as the dispersal of these factories is concerned, it has been done very well. For instance, in the past, when the Britishers were here, they were setting up over a dozen factories during their time which were mainly located in the northern region of this country such as in Punjab and on the northern frontiers so that the ammunition and other things that were produced in the ordnance factories could be available for their utilisation in the north and the Frontier Provinces.

An hon. Member: They have gone.

Shri Sham Lal Saraf: They have gone. These factories have to be

located with a special perspective, or a separate perspective. My hon. friend, Shri Ranga, complained that out of these several factories, a large number has been located in one particular State. I do not want to name that State. But he meant by implication that from the State from which he comes, no factory has been located, and for that matter, perhaps the Minister may have some relation with a particular State and so on. But we must not forget one thing; the predecessor of our present Minister of Defence Production happened to be a gentleman who hailed from Mr. Ranga's State. It was he who actually was associated with laying the foundation for setting up this entire programme of opening ordnance factories, and naturally, therefore, there should not be a complaint or a grouse that a factory has not been set up in a particular State. While we discuss things like this, which is of very great national importance, dealing with the defence of the country, small and cringy matters should not come before us or are not to be taken into consideration. I should say that in what has been done, they have done it very well. Perhaps in the past there might have been one in Secunderabad or Hyderabad, but now a dispersal of these factories has to be done, more in the south—we have come right up to Tiruchirapalli—so that these factories will be in the sea coasts as well. Therefore, all this is very much welcome.

Then I come to the question about the dropping of the two factories. The Minister has not explained the reasons. But I personally feel that there are a number of considerations for that also. It is not easy nowadays to obtain the machinery and plants. It is not only a question of foreign exchange being available, but I have seen from personal experience that whatever the country may be from which you order your plants or machinery, I have yet to see a country which is very very punctual as far as delivery of those plants are concerned. Apart from that, prices also vary from year to year. I would like the hon. Minister to tell us why these two have been dropped particularly when these two are of very great importance. These two factories were for high explosives and propellants. Personally I feel that these are of very great importance. We would like to know why these two have been dropped. I hope the hon. Minister would enlighten us on this point in his reply.

Keeping all these things in view, I do not see any force in the motion that has been moved by my hon. friend, Shri Ranga. I hope he will withdraw it after he listens to the reply of the hon. Minister.

Mr. Speaker: The hon. Minister.

The Minister of Defence Production in the Ministry of Defence (Shri A. M. Thomas): Mr. Speaker, Sir, I welcome this debate....

Dr. M. S. Aney (Nagpur): Sir, I too want to speak on this.

Mr. Speaker: I have all respect for Dr. Aney, but yesterday it was made clear that after Shri Sham Lal Saraf the Minister would be called.

Shri Ranga (Chittoor): Sir, he rose yesterday also.

Shri M. R. Krishna (Peddapalli): Can't we put one or two questions?

Mr. Speaker: Even though I have to depart from the procedure, I yield to Dr. Aney.

Dr. M. S. Aney: My main point is to know why two factories have been completely omitted and only four factories are to be set up. The explanation given for not taking up these two factories, I must say, has not satisfied the Members in this part of the House. In fact, very cogent reasons have been given yesterday by

[Dr. M. S. Aney]

Shri Dandeker in his speech as to why those two factories should be taken up immediately in hand. The question as regards foreign exchange not being available and so on only indicate that there is some defect in determining the priorities. I regard this question of defence more important than the other matters for which foreign exchange is required. The fact that a few crores of foreign exchange necessary for allowing these factories to be taken in hand is not being sanctioned only indicates, if it indicates anything, that the Government itself is not regarding the question of defence as being of very great importance. It is not only of very great importance, but of immediate importance also. That is what I want to urge upon the Government.

The hon. Minister has referred to four factories being taken up. Among them, one is at Varamgaon, one at Chanda and one at Ambajhari. Ambajhari and Chanda are near my constituency. In fact, one is in my constituency itself. I would like to know from the Minister the time that he is likely to take to really make a beginning and starting with both the factories—Ambajhari and Chanda.

Lastly, I would like to say one thing. There are some long-term programmes being taken. In view of the fact that the menace is growing more and more urgent, suppose we are required to face the danger of actual warfare in the near future—these long-term schemes will not be of much use—I would like to know whether the Government have made any preparation to face the danger with all the equipment that would be necessary even if there be some air danger.

In view of these things, I think there is much force in Shri Ranga's contention that this question of defence should be more urgently looked into.

Mr. Speaker: The hon. Minister.

Shri M. R. Krishna: Sir, may I put one question?

Mr. Speaker: No, no. I made it clear yesterday. No body at that time told me that he wanted to speak. It is on the record.

Shri M. R. Krishna: I only want to ask one or two questions.

Mr. Speaker: Let the Minister reply now and then I will allow him to put his question.

Shri A. M. Thomas: Mr. Speaker, Sir, I welcome this debate for more reasons than one although there has been a lot of ill-informed criticism also in the course of the debate.

Shri Nath Pai (Rajapur): Do not be provocative at the very beginning.

Shri A. M. Thomas: Sir, as I said, there are more reasons than one why I welcome this debate. One reason is that there should be a proper appreciation of our defence production efforts, and this debate gives the Government an opportunity to explain to the House what exactly is the nature of the defence production efforts that are being carried on now. Secondly, it also gives the Government an opportunity to dispel any anxiety on the score of the dropping of two defence factories.

I may, at the outset, give some background information why this statement, which is the subject matter of the debate, has been made on the 20th November, 1964. Sir, under normal circumstances we would not have come to this House to make a statement of that kind, because it does not make any difference at all in the matter of our defence preparedness or in the matter of our strategy or in the matter of our procurement goals for defence purposes. In early 1963 the Defence Minister made a statement before this House that he was intending to set up six new factories. He repeated that statement in the course of the debate in April this year, when the Budget Demands of

this Ministry were being considered. There also this fact was reiterated. So, it was the duty of the Government that whenever any departure was made from that programme of work to take the House into confidence. All the same, I may at the very outset assure this hon. House that it does not make any change at all in the matter of our defence preparations or in the matter of our strategy or in the matter of procurement holds.

Shri Dandeker asked the question whether this decision has been a considered decision. I would say that it has been considered from all aspects, all pros and cons were weighed and this is a decision which has been taken is a deliberate one and a considered decision of the Government.

Shri Ranga: Has the National Defence Council been consulted?

Shri A. M. Thomas: I would request the hon. Member not to interrupt me. I am coming to the points raised by him. This anxiety has risen chiefly because of the decision to drop from the current defence plan these two factories. I have mentioned in that statement made on 20th November—this is the very important sentence which has been ignored by some of the Members who participated in the debate—that "as an alternative to the proposal to set up factories at Burla and Panvel the existing stock-piles of explosives and propellants should be increased suitably", so that we do not take any risk at all in the matter of the original plan that we had in view.

Sir, these were two of the six factories that were planned after the emergency. As the House is aware we have to constantly review our plans with the reference to the availability of foreign exchange and other resources with a view to ensure their best utilisation. If it is a question of having abundant resources, a country like the United States, for example, which has a surplus of resources, then it is open to that country, irrespective of priorities and irrespective of the question of foreign exchange resources or other reasons, to launch upon a programme of production. But that is not the case with us. As has been repeatedly emphasised, although we are giving due importance to the question of defence, our economic development has also to be kept in view. In the matter of procurement of assistance for putting up the defence factories as well as for other purposes when the Defence Minister had been holding discussions with friendly countries, this aspect was emphasized even by those countries which are prepared to help us in the matter of defence by saying, "it is all right that you are having necessary defence preparations, especially in the context of the new threat on the borders, but, all the same, the economic development should not be ignored; if it is ignored, it would be at the peril of defence preparedness". So, that aspect has been kept in view.

Then, Shri Dandeker asked another question whether it has been because of our sentimental objection to taking aid from any particular country that these factories have been dropped. It is not so. If it would satisfy Shri Dandeker—I find he is not here; fortunately, his chief, Shri Ranga is present—I may say that we have taken even US expert advice in this matter whether it was advisable to set up these two factories or have stock-piling. We have been advised not only by our own people but by foreign experts too that in the matter of setting up these factories since the investment output ratio was rather high, it would be much better to build up stock-pile of the things that would be produced by these factories rather than put up these two factories. So, it is not a question of any sentimental objection to taking aid from foreign countries.

Shri Sham Lal Saraf: I hope volume of production would not suffer on account of this policy.

13.22 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Shri A. M. Thomas: It will not. That is what I mentioned at the very outset. The dropping of these two factories does not indicate any shift at all in our defence preparedness and our plan of procurement goals.

It may be borne in mind that these two factories involve an investment of Rs. 60 crores, including a foreign exchange component of Rs. 21 crores. When we drew up the defence plan for the period 1964—69, a certain foreign exchange component was also settled. After holding discussions with friendly countries which are prepared to assist us, we had necessarily to prune that quantum to some extent. When it is a question of pruning, naturally the question of priorities arises. So, we had necessarily to drop certain factories. As has been indicated here, we have to work within the foreign exchange resources of round about Rs. 700 crores—some what below, I do not want to mention the exact figure—in the matter of setting up of factories.

These factories would necessarily take two or three years to reach completion. During that period the only course open to us is to import the necessary explosives and propellants that would be necessary for the defence.

Shri Hari Vishnu Kamath (Hoshangabad): Why could you not shorten the period?

Shri A. M. Thomas: So, the reasons given in that statement have to be viewed in that context. One reason given is, in normal peace time when we have sufficient stockpile of these explosives and propellants, these factories cannot be switched on to civilian production. That is only one of the reasons. We should not be guided only by one reason or the other. We have to take the cumulative effect of all the aspects which weighed with the Government in taking this decision.

Shri Narendra Singh Mahida (Anand): We are in an emergency.

Shri Hari Vishnu Kamath: The late Prime Minister had stated that we would have to live with the emergency for many years.

Shri A. M. Thomas: We have also to take into account that in giving up these two factories we are not reducing the planned production of arms and ammunitions at all.

Shri Ranga: Question.

Shri A. M. Thomas: The planned production of arms and ammunitions will go on according to the schedule that has been laid down after the onset of the emergency. All that is being done is, instead of creating additional capacity for indigenous production of explosives and propellants, we would be stockpiling our requirements. These two new factories were not intended to establish fresh lines of production. Explosives and propellants are even now being produced in our ordnance factories. We have as many as 24 ordnance factories functioning now and explosives and propellants are being produced even now. For the production of explosives we are just now going to open another factory near Bhandara. It would be my privilege to open that factory day after tomorrow. That is also intended for the production of explosives and propellants, which were intended to be produced by these two additional factories. So that, these factors should also be borne in mind when we consider this question.

I may also state that some increase in production is also contemplated in other ordnance factories, specially in the matter of production of explosives and propellants. So that any reasonable person would, I think, be satisfied with the explanation that is being given that under these circumstances the decision that we had taken

was the best decision that could be taken. It is only in that context that we have taken this decision that it would be much better to drop these factories. Considering the heavy investment that would be involved—Rs. 60 crores out of which Rs. 21 crores would be in foreign exchange—we thought it would be much better to spend round about Rs. 8 crores to import these propellants and explosives and stockpile them for our requirements.

No country, especially a developing country like ours, can plan for a war of indefinite duration. We cannot do that. The establishment of an adequate capacity to meet the war requirements for an indefinite period of time, which is a very costly goal, is seldom pursued and rarely achieved except in times of prolonged hostilities. By far the most popular and economic means of achieving self-sufficiency has been found to be by resorting to a combination of establishment of optimum level of production capacity and maintenance of adequate quantum of stockpiles. This is the only policy which any sensible country could pursue, especially a developing country like India.

It has been mentioned by Shri Ranga that there has been delay in the establishment of the other four factories. I do not wish to claim that there has not been any delays or difficulties. But I may assure the House that if there has been any delay it has been due to unavoidable reasons and whatever steps are needed to be taken have been taken.

Shri Hari Vishnu Kamath: Good words; a hackneyed phrase.

Shri A. M. Thomas: Even in the advanced countries like the United States and the United Kingdom, with all their experience during the second world war in the matter of setting up new factories, they took three to four years to set up a new factory. If that has been the experience of advanced countries like the United States and the United Kingdom, is it a long time for a country like India to take two years to set up these factories?

Shri Ranga: What about the wartime experience?

Shri A. M. Thomas: It is wartime experience that I am mentioning.

Shri Ranga: No.

Shri Hari Vishnu Kamath: Then they would have lost the war.

Shri A. M. Thomas: Since some anxiety has been expressed on that score, I would just mention to this House the progress that has been achieved in the matter of these four factories that are being set up. One of the factories, that is, at Varangaon, has already been set up as has already been conceded by Shri Ranga. I am very thankful to him for this small mercy. It has commenced production of components for 7.62 small arms ammunnition and it is expected that during 1965 it will go into full-one-shift production. This was because the bulk of the plant and machinery was obtained from one of the surplus plants in the United States of America and was thus readily available.

The House will be interested in knowing that within six to eight months of the receipt of the plant from the United States of America our people have been able to set up this factory in Varangaon without any foreign assistance at all. So, this speaks volumes not only for the efficiency of our people working in these ordnance factories but also of the urgency which the Government attach to these factories. In fact, even the American experts were greatly impressed. The American Government, which gave us this plant, was greatly impressed with the speed with which this factory had been set up.

Now I will come to the next factory at Ambajhari. As the House is

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aware, the Defence Minister made a statement in this House about his mission to the United States of America in May 1964. It was only after this mission of his to the United States of America in May 1964 that we were able to reach agreement with the Government of the USA for supply of plant and machinery for this factory under the US Military Credit Sales Programme. But when they agreed that they would supply the necessary plant and machinery, they said that they would have to conduct an engineering study of this project. I think, it is quite a legitimate demand to be made. So, an engineering study has to be made by the US Consultants. We are taking all possible steps to expedite the completion of this study. In November 1964 we specially sent one of our senior officers from the Director-General's organisation to clarify our requirements to the Consultants' firms tendering for this project. We have also requested the Chief of US Military Supply Mission in India as well as our Ambassador in Washington to request the US Government to get the study completed as early as possible.

It may be of interest to the House that we are not keeping quiet pending the receipt of this engineering study. We are going ahead with regard to other civil works. Sanctions have already been issued for civil works for about Rs. 7 crores and the actual expenditure incurred on civil works till the end of October, 1964 is about Rs. 215 lakhs. A tempo has been reached with regard to the civil works and it will go on as planned.

Shri Hari Vishnu Kamath: How long will it take to complete the civil works?

Shri A. M. Thomas: Rs. 7 crores have been sanctioned out of which Rs. 2 crores have been spent.

Shri Hari Vishnu Kamath: What is the period?

Shri A. M. Thomas: I might assure the House that there would not be any delay in the matter of the completion of the civil works at all by the time of receipt of the report of the engineering study as well as the receipt of the necessary plant and machinery. That is why we are going ahead in the matter of civil works even before the receipt of the report of the engineering study. All the works which could legitimately be taken up irrespective of the report of this engineering study we are taking up.

The third factory which has been mentioned is the Chanda factory which is being set up with the assistance of the United Kingdom. The House will be interested to know that sanction for the entire plant and machinery has already been issued for this factory. The U.K. War Office, who are procuring the main plant for us, as I said, have been requested to commence purchase of plant and machinery. Also, simultaneously sanctions for civil works amounting to Rs. 3.21 crores have been issued and the works are in progress.

Coming to the fourth factory about the progress of which the hon. Member, Shri Nambiar, expressed considerable concern, namely, the Tiruchirapalli factory, is is planned to produce rifles, carbines and light machine guns. There also sanctions for the entire plant and machinery amounting to Rs. 7.77 crores have been issued and indents for machinery amounting to Rs. 5.20 crores have been placed on the Director General of Supplies and Disposals. It may also be borne in mind that for this factory we are not getting any assistance at all. We are spending out of our free foreign exchange resources so that whenever it is necessary we do not at all fight shy of spending our scarce foreign exchange resources for setting up any factory. There also, sanction for civil works

amounting to more than Rs. 4 crores has already been issued and the works are in progress.

Another thing which we have to bear in mind is what has been mentioned by the hon. lady Member, Shrimati Akkamma Devi. It is not proper, when we take our defence preparedness, to concentrate on these factories which have been planned after the onset of the emergency. After the onset of the emergency we have also planned for the modernisation of our ordnance factories which are as many as 24 in number. This modernisation programme has also been started before the onset of emergency too. The modernisation programme of these factories would cost us roundabout Rs. 30 crores and our idea is to spend Rs. 15 crores in the form of foreign exchange during the period of the Defence Plan, namely, 1964—69.

Shri Hari Vishnu Kamath: That will go to the next Parliament. We do not know whether we will be there then.

Shri A. M. Thomas: These modernisation proposals are all being progressed satisfactorily and in respect of the first two years the requirements of plant and machinery have already been projected. Even before the integrated five-year modernisation plan was undertaken, a number of projects for expansion of capacity, production of new lines of arms and ammunition and modernisation of the out-moded facilities were sanctioned in the various ordnance factories. In the field of ammunition production, 18 such important projects were sanctioned, 4 were sanctioned in the field of explosives, 7 in the field of weapon production and 5 in the field of general stores.

In the matter of our preparations or production of general stores, it is very important to recognise the fact that the criticism that was levelled against our unpreparedness when we had to face the Chinese aggression in the mountains in the matter of clothing and other respects has been taken care of and considerable improvements in designs, development of new designs and expansion of production have taken place in the field of general stores specially clothing and protective equipment necessary for operations in extremely cold areas at high altitudes. We now have a complete range of items in these fields which are far more efficient than we had before. As regards production of these general stores, we produce in one month what we were producing in one year earlier.

Shri Hari Vishnu Kamath: What exactly do you produce?

Shri A. M. Thomas: With regard to general clothing what would be necessary for our mountain warfare in the matter of snow clothing, boots and other things about which criticism was levelled by Shri Kamath.

Shri Hari Vishnu Kamath: The then Prime Minister admitted that.

Shri A. M. Thomas: So, in these factories for general purpose clothing and all those things, in fact, we have produced so much that we may perhaps be surplus to our requirements so much so that surplus labour has to be absorbed in other ordnance factories.

Shri Banerjee raised that question and therefore I am making a reference to that. It is not our intention to retrench the labour. We are as far as possible trying to avoid it. It is our idea to absorb the surplus labour in other ordnance factories, but some casual labour, which would not be in a position to be shifted to other areas, perhaps would have to be retrenched.

Then, Sir, great advances have taken place and are planned in the design, performance and production capacity of the various items concerned with aerial delivery, both free

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dropping and parachute dropping, for troops in forward areas with no land lines of communications. Similar advances have taken place and are planned in other important areas, in the field of medical stores and equipment, heating, cooking and lighting, field shelters, packaging hundreds of hardware and hand-tools for the workshops, equipment for use of animal transport in the mountains, defence chemical stores and the like.

Shri Hari Vishnu Kamath: What about defence science research?

Shri A. M. Thomas: In all these matters we are, more or less, self-sufficient now.

Shri Hari Vishnu Kamath: What about defence science research?

Shri A. M. Thomas: I do not think the hon. Member referred to that at all. (*Interruption*).

Then, Shri Ranga referred to the question of radar stations, whether the equipment for the radar stations has been set up or is being set up, where they are set up and how many will be set up and all that. I do not think it will be desirable to disclose all this information to the House in the interest of security. But I may assure the House that we are receiving this equipment as per schedule and we are setting up these radar stations.

Another thing which we have to bear in mind in the context of the dropping of those factories, apart from the modernisation of factories and the putting up of additional capacity in the existing factories, the stock-piling and all that, is that there are some factories which have been sanctioned before the Emergency. One such factory is the Bhandara factory, that is, the Explosives Factory. That will go into production on the 19th December, 1964, as I have already indicated. This will produce some of the propellants and explosives for which additional production was planned in the two factories which we have decided to drop. In addition, it will manufacture one or two other items.

The construction of the Ordnance Cable Factory, Chandigarh was completed on high priority and it commenced production in September, 1963. The production has already reached the planned capacity. Proposals for augmentation of the present capacity of the Cable Factory and establishment of new lines are also under examination.

Another factory which was planned before the Emergency is the Tank Factory. That has also already gone into production. Various components are being produced. As is well-known, this is a very huge project of which this country can legitimately feel proud of. I would invite the attention of Shri Ranga to this. It is not for me to advise Shri Ranga on anything. In the course of his tours that he is having—today he is found in Delhi and tomorrow in my State to which he has now developed a peculiar love and affection recently....

Shri Hari Vishnu Kamath: We represent the whole of India.

Shri A. M. Thomas: When he goes through Madras, I will suggest to him just to try to go 19 miles away from Madras and see at least one of these factories and then come to this House and criticise.

Shri Heda (Nizamabad): He will do it now.

Shri A. M. Thomas: Without seeing any of these factories, the production that is going on, the quantum of production, it is highly unfair for him to come to this hon. House and give a misleading impression to the country saying that nothing is being done. Such a criticism is quite unjustified.

The hon. Member, Shri Dandeker, wanted only a general assurance that it was a considered judgment. He does not want the details and other things. Shri Dandeker has got considerable administrative experience. Having regard to our resources, having regard to the fact that we are not in any way compromising our defence preparedness by dropping these two factories and having regard to the heavy investment that would be necessary specially in the form of foreign exchange, I would only ask Shri Dandekar, what would be the best course and the wise course for the Government to take, if he has not already lost all his background and experience in administrative service. Shri Dandekar said that he did not believe in a particular ideology .

Shri N. Dandeker (Gonda): I deliberately took the line that I was speaking on non-Party lines and I wish to reiterate that.

Shri A. M. Thomas: Although he prefaces his remark saying that he is not speaking at the political level, if one goes through his speech and reads between the lines, one would know that he was trying to create an impression in the country that nothing is being done in the matter of defence preparedness. Shri Dandeker is considered to be a well-informed person. He should have the better care when he stated that it was a wrong step. It is a legitimate question you asked, whether it was a considered judgment. Of course, I am here to answer that. It is a question of resources, drawing up of priorities and whether we are in any way compromising our defence preparedness is the main thing. If Shri Dandeker had taken pains to go through the statement, he would have been able to find that no compromise has been made in this particular case. There is an assurance before this hon. House. As an alternative, we are going to spend Rs. 8 crores on stockpiling these things which would have been produced in these two factories. When this assurance was in the statement, he should not have made that uncharitable reference which he made in the course of his speech.

Shri Hari Vishnu Kamath: Similar assurances were given before the Chinese invasion in 1962. The assurance will be tested in war—God forbid.

Shri A. M. Thomas: When I talk of cheese, you talk of goose.

Despite the serious foreign exchange situation, Government is fully alive to this. In fact, 'defence and development' is the basis on which we draw our plan. We were spending a little over Rs. 300 crores before the onset of Emergency and now we are going to spend Rs. 1,000 crores per year and this inflationary tendency and other things about which the Swantantra Party is harping too much has been mainly because of our defence expenditure. But we cannot afford to neglect that. That is why we are spending more; from Rs. 300 crores we are going upto Rs. 1000 crores.

Shri Hari Vishnu Kamath: Let them be well-spent and not wasted.

Shri A. M. Thomas: Yes. But you must recognise that.

Shri Ranga: What is the recognition for? All of us sanctioned it. It is not your grand father's property or anybody else's.

Shri A. M. Thomas: Then, hon. Member, Shri Kamath—I think he is a very studious Member....

Shri Hari Vishnu Kamath: Not as studious as you are.

Shri A. M. Thomas: There is a Malayalam saying—outside the House the hon. Member and I talk in Malayalam—and the purport of that saying is: After getting defeated in the market-place, you come to the house and turn against your mother. That is what exactly has hap-

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pened. A few days ago, there was a duel between the hon. Food Minister and Shri Kamath and he had sustained certain wounds because of that. After being defeated there, he catches the next chance and now turns against the Defence Minister.

Shri Hari Vishnu Kamath: That is what you think. Who has been defeated?

Shri A. M. Thomas: That is what has happened. Now he has turned against the Defence Minister. (*Interruption*). That is why he was saying all that—he was saying more than once—so that the next opportunity that he got was to turn against the Defence Minister and all his wrath that he had was directed against the Defence Minister.

Shri Hari Vishnu Kamath: On a point of order. The Food Minister was disposed of on that day. You have your self mentioned it now. He must be relevant. I do not want to descend to his level again. The Food Minister was disposed of finally the other day. Now, let him defend the country. Let him not talk about other matters. Let him tell us how he proposes to defend the country and not let us down as Mr. Menon did. They have lost a battle with China; let them win the next. They are not ashamed of this. Let them hang down their heads in shame, and then go and face the country outside.

Shri A. M. Thomas: It would be interesting to the House to learn....

Shri Ranga: We do not hear what he is saying.

Shri Hari Vishnu Kamath: Soliloquy.

Shri Nath Pai: What about the misquoted proverb?

Shri A. M. Thomas: During the latter half of 1962-63 after occurence of the Emergency, commitments to the extent of approximateluy Rs. 6.5 crores were entered into in free foreign exchange and foreign assistance. Now, in 1963-64, this expenditure has increased to Rs. 60 crores. In the first half of 1964-65 commitments to the extent of approximately Rs. 30 crores have been entered into.

Shri S. M. Banerjee was good enough to refer to the production achievement of the ordnance factories. My hon. friend Shri D. C. Sharma had also referred to that. The production in the ordnance factories and in other production units in the Defence sector speaks for itself. In 1963-64, the value of issues made to the Services was over Rs. 110 crores against only Rs. 41 crores in 1961-62.

Shri Nath Pai: On a point of order.... Let the hon. Minister be a little galant enough to yield . . .

Shri Hari Vishnu Kamath: A point of order takes precedence over a Minister's speech, however irrelevant or relevant it may be.

Shri Nath Pai: I do not know whether the hon. Minister has realised the significance of what he has said. The very distinguished predecessor of Shri Y. B. Chavan, Shri V. K. Krishna Menon, our ex-Defence Minister of repute, once told the House while declining to give us the simplest information, 'If I tell this House the number of pairs of shoes we supply, then we shall divulge a big secret to the potential enemies'. I welcome the precedent that the hon. Minister has now set up, but is he conscious of this that by telling us the number of shoes that are being supplied, he is telling the potential enemies the number of soldiers we have in the Army?

Mr. Deputy-Speaker: Not necessarily.

Shri Ravindra Varma (Thiruvella): There are spares too. (*Interruptions*)

Shri A. M. Thomas: In the matter of Defence, Government have to carry this House as well as the whole country with them. The House would have noticed that as far as the Defence Ministry is concerned, we have given to this House whatever information it was possible for us to give.

Shri Nath Pai: Not at all.

Shri Hari Vishnu Kamath: It is withheld here but published in foreign papers.

Shri A. M. Thomas: In fact, I may submit that after some statements were made by the hon. Defenec Minister in this House.....that.....

Shri Nath Pai: Which one does my hon. friend refer to? We have had so many Defence Ministers.

Shri Hari Vishnu Kamath: The former Defence Minister or the present one?

Shri A. M. Thomas:....we are now thinking about mountain divisions after the onset of the emergency, hon. Members were interested to know more about it; I think Shri Nath Pai was also included among them; I do not quite know; but I say that several Members had said that we should go to this extent that we should divulge that inforamtion to the House. So, the House is well aware of the fact that the Defence Minister was not at all holding back whatever possible information could be given to this House.

Shri Nath Pai: The present Defence Minister is not holding back.

Shri A. M. Thomas: I am glad that Shri Nath Pai has admitted that.

Shri Nath Pai: We are all generous and honest.

Shri A. M. Thomas: So, it is a very unfair charge to say that the House is not being taken into confidence in this matter.

My hon. friend Shri Hari Vishnu Kamath had asked for answers to two questions.

Shri Hari Vishnu Kamath: Clarify them. Do not beat about the bush.

Shri A. M. Thomas: The question was couched, if I may say so, in general terms it was not with regard to the production in the ordnance factories. He had asked whether it was a fact that the defence production had doubled in the past two years, and if so, what the production was. The question was so general that it was not enough for us to collect information from the various ordnance factories, but we had to collect it from the various public sector undertakings which cater to civilian needs as well as to defence efforts, such as, for example, the Mazagaon Docks, the Garden Reach Workshop, the HAL, the Avro Factory and so on. It will necessarily take some time to collect all that information.

As far as the ordnance factories are concerned, on 7th December itself I had given the information indicating what exactly the quantum of production was. Let my hon. friend look up the papers and find out for himself the actual figures. But when he asks for the production not only in the ordnance factories but in the other public sector undertakings also, that is to, say, the total defence production, it would necessarily take some time to collect the information. And is it a sin to have asked for further time to collect the information and place it before this House?

Shri Ranga: They will take another two years for this.

Shri A. M. Thomas: To draw any adverse inference from that, I submit is quite uncharitable.

Shri Hari Vishnu Kamath: The hon. Minister has had enough time, nearly three months, from 14th September up till now, but nothing has been collected so far.

Shri A. M. Thomas: When we consider this matter, we have also to take into account not only the production in the ordnance factories but also the production in the public sector undertakings, and the progress that we have made in the various public sector undertakings in the matter of the production of aeroplanes, HF-24 and other things. I do not want to take the time of the House by referring to them. We are well on the way in the matter of the setting up of the MIG factory. I would also like to refer to the Bharat Electronics in this connection. My hon. friend Shri Ranga referred to the radar equipment and other things. It would be of interest to him to learn that the Bharat Electronics has been producing a wide range of wireless and electronic equipment required by the three services. In fact, the value of its production of defence equipment increased from Rs. 74 lakhs in 1962-63 to about Rs. 460 lakhs in 1963-64 and is expected to be about Rs. 6 crores this year. So, from Rs. 74 lakhs it has gone up to about Rs. 6 crores. This is not an insignificant achievement. I may also tell the House that the total production of defence equipment in all the public sector undertakings under the Department of Defence Production—not the ordnance factories; there it comes to Rs. 120 crores; but as far as the others are concerned—comes to Rs. 21·38 crores whereas it was only a year back only Rs. 16 crores. So, there is considerable improvement in this matter of production of defence equipment in the public sector undertakings. We have to take all these into consideration, the maximum production possible in the ordnance factories already there, the coming into production of factories which have been planned before the onset of the emergency and the preparations that are being made to set up new factories which we plan, when we consider this question.

As I have mentioned earlier, the produtcion figures speak for themselves. This is not to say that we are not alive to the danger and the difficulties that confront us. I would, however, like to assure the House that there is no intention to relent our efforts to establish a sound production base. It is a very uncharitable remark to say that we have again relapsed into complacency. Apart from that, the facts that I have narrated will convince any dispassionate observer that the steps that have been taken have been taken on a war footing and with the highest sense of urgency.

Shri Narendra Singh Mahida: What about civil defence? Where are the civil defence preparations if we are on a war footing?

Shri A. M. Thomas: We are now talking about the production in the ordnance factories. When my hon. friend is satisfied on one question, he raises another question.

Shri Narendra Singh Mahida: The hon. Minister said that the preparations were being made on a war footing. That was why I wanted to know about civil defence also.

Shri A. M. Thomas: As regards the Research and Development organisation, civil defence etc., we could have the discussion on them on another date. Now, we are on the question of the production in the ordnance factories.

Much time was taken by my hon. friend Shri Ranga in making mention of our old mistakes and other things. It is a well known fact that we were trying to be a peaceful and peace-loving State, and our country was suddenly called upon to be in a state of defence preparedness. So, it will necessarily take some time, and it is not easy to effect a radical changeover. As the House is aware, after Independence, while the need to produce defence requirements within the country was felt and some efforts

were made in that direction, the progress was necessarily restricted. The obvious reasons were that it was hoped that with the country's policy of non-aggression and peace, the development of armament industry on any large scale may not be necessary. The requirements of economic development had to be naturally given the first priority and difficulties were often encountered in securing on reasonable terms technical know-how and other assistance required to establish an armament industry. In a number of fields, we had to enter completely new fields The technical know-how and the administrative capacity were lacking. We have partly overcome these difficulties. And the way in which our workers have made their contribution—whatever my hon. friend Shri Ranga may say about the persuasion of these workers—is such that I must pay my tribute to the thousands of employees in the various ordnance factories, who as has been remarked by my hon. friend Shri S. M. Banerjee have risen as one man in the face of this emergency and shown their mettle and increased the production three-fold and four-fold in the various ordnance factories. It is up to this House.....

Shri Ranga: Did I question that? Did I question their patriotism? Did I question their having made the best possible effort?

Mr. Deputy-Speaker: The hon. Member can say all this when he replies.

Shri Ranga: I shall reply all right but here and now, I must correct the statement that the hon. Minister has made. He is unfair not only to me but also to himself as Minister, because as a Minister he has got to be exact in his references to whatever I have said here in the House.

I only warned Government about certain leaders in certain areas. It would be foolish for them not to take that warning I did not say anything about the workers at all. Kindly read my speech and see what I had said.

Shri A. M. Thomas: My hon. friend talked about labour, and that was what he said.....

Shri Ranga: It would be better it the hon. Minister would withdraw those remarks. He should not say that I had made those remarks.

Shri A M. Thomas: Whatever it may be, it is my duty to appreciate the efforts of the thousands of employees of the ordnance factories who have risen to the occasion.....

Shri Ranga: That need not be a monopoly on the other side. My hon friend need not impute motives.

Shri A. M. Thomas:....in the matter of defence efforts.

I do not think I need take more time of this hon. House. I again repeat Government's stand, that the Government has not at all compromised in any way with the defence preparedness or the original programme of its goals for procurement.

14 hrs.

Shri Hari Vishnu Kamath: On a point of clarification. I am sure you will agree that the Defence Minister whether it be the senior or the junior Minister's business, is to tell the House and the country how Government propose to defend the country against declared enemies like China, and not to take shelter behind the Food Minister's *lungi* or *mundu* . . .

Mr. Deputy-Speaker: It is not necessary to refer to that.

Shri Hari Vishnu Kamath: The other day you did not rule it out of order—you let it go on record, I am sorry to say that he brought in irrelevant matters, which it was none of his business to do.

Mr. Deputy-Speaker: I do not think this is a clarification he wanted.

Shri Hari Vishnu Kamath: I raised the point yesterday that the senior Defence Minister, at a luncheon in London, where I was also present, referred to the fact that the Chinese air force is today capable of 500 sorties a day on the Himalayan border. In view of that, I asked what preparations we are making, what is the progress with regard to HF-24 and MIG-21? Let them answer.

Mr. Deputy-Speaker: Not another speech.

Shri Hari Vishnu Kamath: It is not another speech. I am seeking clarification on a point I raised yesterday which he has not answered in his reply.

Mr. Deputy-Speaker: I thought it was your explanation.

Shri Hari Vishnu Kamath: No, no. I referred yesterday to what the Defence Minister had said at a function in London, when I was also present, and asked what are the preparations Government are making to meet the mounting Chinese threat.

Shri A. M. Thomas: The Defence Minister himself made a statement with regard to this matter of how many squadrons we are going to have, what are the arrangements that have been made, how we are going to have certain number of MIG planes from the USSR to equip our squadrons. All these matters have been referred to. So I do not think it necessary to repeat those things.

श्री यशपाल सिंह (कैराना) : जो प्वायंट्स रह गए हैं, सिग्नेटरीज़ को उन के बारे में क्लैरिफ़िकेशन हासिल करने का मौका मिलना चाहिए । इसी आदरणीय सदन में यह वादा किया गया था कि हम छ : आर्डिनेंस फ़ैक्टरीज खोलने जा रहे हैं, लेकिन अब सरकार ब्यान देती है कि मुश्किल से चार फ़ैक्टरीज़ कायम हो सकेंगी । मैं यह जानना चाहता हूं कि दो फ़ैक्टरीज़ किस लिए कम हो गई हैं—क्या रुपये की कमी है या कोई और कारण है ।

Shri M. R. Krishna: Is it not a fact that before Government decided to set up these six factories, US consultants and other experts and examined all the existing factories which were to be modernized and only after that recommended to Government that they should set up these six factories? Is it also true that they laid emphasis on the explosives factory? If Government at that time had accepted and promised this House that they would set up six factories, what has prompted them to immediately abandon two factories in four months' time?

Mr. Deputy-Speaker: All the while, he has been explaining the same thing.

Shri M. R. Krishna: Did any other expert committee, like the US expert committee go into this matter?

Mr. Deputy-Speaker: He might answer Shri Yashpal Singh's question

Shri A. M. Thomas: It was in Hindi. So I could not follow.

An hon. Member: It is the same as Shri M. R. Krishna's question.

Shri A. M. Thomas: With regard to the modernisation of ordnance factories, more than one team of experts has gone into it. I may assure the hon. Member that the dropping of these two factories has also been decided on the US expert team's advice.

Shri Nath Pai: A very small question. I know that the hon. Minister has tried to the best of his ability to allay the anxiety of the House, though not with very conspicuous success. One example of it is that he has tried to tabulate the achievements of his Ministry, the production side of it, in terms of rupees—which is a very tragic thing. May I draw his attention to this simple fact, that he has

tried to persuade the House that our production requirements in terms of electronic goods is very satisfactory because it has gone from so many lakhs to some crores? Has his attention been drawn to the report prepared by Dr. Bhabha's Committee on electronics where they point out the tragic lacuna we are suffering from as to defence production requirements in electronics where we are made to buy our requirements from abroad, whereas our production is not even upto 10 per cent? Is he aware of it or is he going to tell us that from so many lakhs we have come to some crores? This was the attitude they had earlier adopted, that they did not count in terms of the potential danger and then measure the preparedness but they calculated in terms of rupees spent or of rupees acquired.

Shri A. M. Thomas: With regard to electronic equipment, we realise that it is very important. It will take some time for us to produce indigenously all our requirements of electronic equipment. That is why we are importing our major requirement of electronic equipment from foreign countries by spending valuable foreign exchange.

I made a mention of Bharat Electronics and said that in the last two years we have proceeded in such a way as to produce our maximum. It was only to indicate that, that I mentioned figures of production in Bharat Electronics, not that the electronic equipment produced is enough for our requirements. To meet our requirements of these equipments, we are importing from outside.

Shri Ranga: I wish to thank all hon. Members, including the Minister, for having taken part in this debate and made their useful contributions.

Anyone who really wishes to judge in an impartial manner from the trend of the discussion in this House would come to one and only one conclusion, that this House is not satisfied with things as they are on the defence production front, and it would like Government to be more alert and more conscious of their responsibilities towards this emergency and to be more honest with themselves and with the National Defence Council and with this House by making it clear that their foreign policy, their defence policy, the policy of allocating priorities in regard to various things that are to be imported into our country, has not been a success, if it has not been a failure.

My hon. friend, the Minister of Defence Production, was at considerable pains to impress upon the House the consideration that after all, they had only two years, they could not be expected to achieve wonders and they should be given indulgence for the long time that has been lost so far, more than two years, and for that failure also. I wish to assure this House that neither this Minister nor his predecessors nor the present Defence Minister nor any of us on our side, fortunately or unfortunately, happen to be military men and can claim to have any more expertise than any ordinary member of this House except for this that one has been in touch with what is happening for a longer period than the other. Taking it on that basis, that they are laymen as we are, we have to come to our judgment on the facts placed before us; we will have to see whether this Government has achieved any success at all in this direction.

Who asked them to come to this House with so much fanfare and announce, in order to allay the anxiety and feelings of the country as a whole and of Parliament, that they were going to recruit, train, equip and send to the front six mountain divisions? They did it. These six new factories—they did it. As my hon. friend, Shri Dandeker, said yesterday, did they not at that time have the benefit of all their experts here as well as outside, in the west as well as east, and was it not after all that consideration that

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they had at that time and the consultations they must have had with themselves as well as other friends, that they came to those two conclusions and assured the country that they were going to do these things? They did not say then, "We are going to modernise the existing ordnance factories, we are going to expand the capacity, and then we shall see whether we will need these six new factories." They did not say so. It was taken for granted in the House, the House understood it that way, that modernisation of the existing factories would go on apace, their capacity would be increased, imports would be brought in and priority would be given for exchange needs of the existing factories and their plans, as well as for these six new ordnance factories. All this was given on the floor of the House to the country as well as Parliament as an assurance of the awareness of this Government of its duty to defend this country properly.

I want to reiterate the statement made by my hon. friend Shri Dandekar not only on my own behalf and on his behalf, but also on behalf of every one of the Opposition Members who had taken part in the debate yesterday, that we tried our best to approach this problem, so far as production was concerned, from an entirely non-partisan and all-party, patriotic attitude. It is as patriots that I want my hon. friends from that side to look at it, and we also look at it that way.

My hon. friend wants us to believe that they have done all that they possibly could under the difficulties they have had to face, the difficulty coming from Finance, the difficulty of lack of foreign exchange, the difficulty coming from other Ministries and so on, and therefore, he wanted us to be satisfied with their failure. Was it not he himself who said just now that when it came to clothing and other equipment that was needed by our troops, they raised the production twelve-fold? He said so. If it was possible to do that for this very same Government with the very same ordnance factories that they have got, is it unreasonable for us as laymen to assume that it should have been possible for them to achieve similar progress in other sectors of defence production also, if only they had the will to do it, if only they put their shoulders to it, if only they had been actually sincere to the professions they had made before the whole country? That is how I want to look at it. It was not my plan or my party's plan, or the Opposition plan; it was their plan. Why did they go back upon their own plan?

They say that we should be satisfied that there would be no danger at all. As Shri Kamath just now interrupted, the former Defence Minister also wanted us to believe that way. He brought down the defence estimates, and he wanted the House to congratulate him because he was asking the country to spare much less than what had been allotted in the previous years. We trusted him because we had to trust him, because we have to assume that they are in the know of all the facts, that they are as good patriots as any one of us, and more than that, because they have got the assistance and advice of all their great experts. And the country knows the results through its bitter experience. How does my hon. friend, the Defence Minister, want me to continue to have confidence, repose confidence, in him in the same way as we tried to do in the very beginning when he came from Sahyadri, if this is the performance in the light of their own demands, of their own professions, of their own plans? That is how I look at it. That is why I said advisedly that if they do not take care and do not go into this with all honesty, not only honesty but also all the energy that they can command and all the resources also,—I am coming to that presently—if they fail to do it,

the country would have to send them out in the same way as the former Defence Minister was sent out.

Now, I come to foreign exchange My hon. friend made much of it. Why did we sanction so much money, Rs. 700 crores, last year? Did we not then assume that within that Rs. 700 crores, whatever foreign exchange would be needed would have been included, would be set apart, that first priority would be given by the Defence Ministry to it? My hon. friend is talking about development and defence; two D's can be used in various other ways—you know Goethe's writing—and therefore, I do not want that kind of fate to overtake our country. Who has stood in the way of this foreign exchange? He says we are going to build this thing at Chanda or Tiruchirapalli with our own resources, with the free foreign exchange that had already been placed at their disposal What happens to the rest of the foreign exchange that we would need for our defence forces, for our ordnance factories, for equipment and all the rest for which we allotted money when we passed the Budget? Are we to understand then that there is no such reservation at all? Are we to understand that from day to day Defence has got to compete with all other demands which the various Ministries would be makeing at the doors of the Finance Minister for foreign exchange? If this is so, let us be told about it.

We have taken it for granted that the very first priority would be given for foreign exchange so far as defence needs are concerned, and now we are told there is some difficulty. The ball is at the other court, it is for my friends to take the country into confidence in regard to the relations between themselves and the Finance Ministry and the Planning Commission, whether they are having all the foreign exchange that they have asked for that they intended to ask for when they came here for their Defence Budget last time, at the time of the Budget sanction.

Having said that, let me also take up the other point made, unfortunately, by one of my hon. friends here, that there is an atmosphere of alarm. We are not alarmists. I am sure my hon. friend also would not like to be an alarmist. But we do know that there is an emergency. If any one can be accused of alarmism, of raising an alarm,—and I do not think he can be accused—it is the Defence Minister alone. I have already said guardedly that he cannot be accused of that. Again and again, as I said yesterday, he warned the country as well as the rest of the world about the Chinese forces being mounted there on the Himalayan heights. And he also fears, and rightly so, that any moment they think is convenient, they may spring on us. Is warning the country like that alarmism? Can anybody be accused of that? We are not alarmists, but here is the emergency and I do not know how long my hon. friend is going to maintain the emergency and at the same time behave as if there is no emergency at all.

Not to speak of all these conventional arms, there is that bomb coming from that end. They wanted to hide themselves behind the bush of their own self-confidence for too long a time, even while some of the American experts were warning the world as a whole that the Chinese were getting ready with their bomb. They were saying: no, no, no fear at all. Then, it did come. Then they said it was only a small thing. Now, they say they are not afraid. If they are not afraid, I am sure the rest of the world is afraid. But now the Prime Minister is also coming to realise its importance, and therefore, he has sent his friends all round the world, and has sent messages also to all the countries in order to impress upon them the need to raise the slogan "down with the atom bomb" whosoever may be the owner of it, whosoever may be the producer of it or is capable of it. Very well, now it is there with the

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Chinese. It is subject to the presence of that, that we have to think of armament development. I am not here and now prepared to say that Government should go in for the manufacture of the atom bomb or anything like that. We are opposed to that. My hon. friend Shri Masani has presented his careful, well-reasoned thesis before this House. It is for the House to consider it for whatever it is worth. But, what we want the Government to realise is that, since the Chinese are in possession of that deadly weapon, and various other things that can lead to the manufacture of that, their defence capacity, their capacity for offence must be so much more even in regard to the realm of conventional arms, and so we must be prepared to match our defences as against that. Every one knows that we can only be on the defensive. We were beaten so badly. If we were to say that we are going to do this and that against the Chinese after having been beaten, we must first of all establish our credentials so far as our Defence Forces are concerned *vis-a-vis* the Chinese. So, we are on the defensive. I fear that Government is not ready, is also not getting the country ready. I thought he was going to give a reply to a point raised by me yesterday; he did not. I shall remind him. They constitute a national defence council which we consider to be unrepresentative and unsatisfactorily constituted. Was even that national defence council consulted? Did it agree to the decision—wrong decision according to us—to drop the two factories? And two divisions?.....

Shri A. M. Thomas: Dropping two divisions? The hon. Minister of Defence last time said that we were going to increase the mountain divisions to 10.

Shri Ranga: It was said that we did not have foreign exchange. Just as we are depending on food imports from foreign countries, we are going to depend even for those small things on the foreigners andt hat is why we are not going to build up these factories. I want to remind them that we did not ask for such and such factory to be established here. They have themselves in their wisdom stated that these factories were necessary. Now they drop it. They want us to believe them now. How on earth is it possible for any sensible men to accept their word? Their word does not inspire confidence. Let them realise that if they really want the country to continue to repose its confidence in them and in their party, they must prepare the country for effective defence and they have got to manage their affairs much better than they have done.

Lastly, here is my warning. They may get electoral victories and they are certainly in large numbers here. So was Neville Chamberlain. Please remember that and the way in which he had had to go at the bidding of the nation; this Government also would have to make away for another Government, if they do not turn a new leaf and do not give up the kind of things that they have done so far.

Mr. Deputy-Speaker: I shall put the motion to the vote of the House. The question is:.....

Shri Nath Pai: In a motion like that, who will say 'no' or reject it?

The Minister of Finance (Shri T. T. Krishnamachari): Sir, I do not think there is anything for the House to decide; there is no positive motion.

Mr. Deputy-Speaker: But the House takes note of it and I have to put it to the House. The question is:

> "That this House takes note of the statement made on the 20th November, 1964 by the Minister of Defence Production on the establishment of new Ordnance Factories."

The motion was adopted.

14.25 hrs.

COMPANIES (SECOND AMENDMENT) BILL

The Minister of Finance (Shri T. T. Krishnamachari): Sir, I beg to move—

"That the Bill further to amend the Companies Act, 1956, be referred to a Joint Committee of the Houses Consisting of 45 members, 30 from this House, namely, Shri S. V. Krishnamoorthy Rao; Shri Achal Singh; Shri A. Shanker Alva; Shri Ramachandra Vithal Bade; Shri Rajendranath Barua; Shri Bali Ram Bhagat; Shri Dinen Bhattacharya; Shri N. C. Chatterjee; Shri Sachindra Chaudhuri; Shri N. Dandeker; Raja P. C. Deo Bhanj; Shri Bhaskar Narayan Dighe; Shri G. N. Dixit; Shri Gajraj Singh Rao; Shri Prabhu Dayal Himatsingka; Shri Cherian J. Kappen; Shri R. N. Yadav Lonikar; Shri Madhu Limaye; Shri Ghanshyamlal Oza; Shri Shivram Rango Rane; Shri J. Ramapathi Rao; Shri R. V. Reddiar; Shri Era Sezhiyan; Swami Ramanand Shastri; Shri Digvijaya Naraian Singh; Shri Sivamurthi Swamy; Shri Radhelal Vyas; Shri K. K. Warior; Shri Nagendra Prasad Yadab and Shri T. T. Krishnamachari and 15 from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the last day of the first week of the next session;

that in other respects the Rules of procedure of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make ;and

that this House recommends to Rajya Sabha that Rajya Sabha do join in the said Joint Committee and communicate to this House the names of 15 members to be appointed by Rajya Sabha to the Joint Committee.

As stated in the Statement of Objects and Reasons, the present Bill seeks (i) to implement the recommendations of the Commission of Inquiry on the administration of Dalmia Jain Companies (popularly known as Vivian Bose Commission) and the Daphtary-Sastri Committee; (ii) to strengthen the provisions relating to investigation into the affairs of companies and to provide for more effective audit in dealing with cases of dishonesty and fraud in the corporate sector; and (iii) to simplify some of the procedural requirements which are at present burdensome to companies without being of corresponding advantage to the Government. Apart from these three categories of measures, the Bill also contains a few amendments of a clarificatory nature designed to remove drafting defects which had caused difficulties in interpretation. The Bill consists of 62 clauses and one schedule. As the notes on clauses appended to the Bill explain the reasons for the proposed amendments and as the time at my disposal is short, I now only propose to refer briefly to some of the more important amendments sought to be made by this Bill under the broad categories I have just mentioned.

As the House is aware, in pursuance of its terms of reference, the Commission of Inquiry on the administration of Dalmia Jain Companies made certain recommendations for the amendment of the Companies Act with a view to prevent in future malpractices of the nature observed by it and also to ensure due and proper administration of the funds and assets of companies in the interest of the investing public. Later, at the instance of Government, a committee consisting of Shri C. K. Daphtary and Shri A. V. Visvanatha Sastri examined the recommendations of the Commission of Inquiry

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and made some suggestions of its own for amending the said Act. Of the 62 clauses in the present Bill nineteen clauses and three sub-clauses arise directly out of the recommendations of the said Commission and the Committee. I may now be permitted to deal briefly with some of the important amendments proposed in the Bill:

Clause 13 seeks to impose restrictions on the period of currency of blank transfers by providing that——

(a) Every instrument of transfer shall be in the prescribed form bearing the date of issue stamped by the prescribed authority; and

(b) the said instrument shall be delivered to the company within six months from the date of issue thereof in the case of listed shares and within two months from that date in the case of any other shares.

As pointed out by the Vivan Bose Commission, the system of blank transfer has increasingly lent itself to certain abuses, the most important of which are—

(a) concealment of the identity of the real beneficial owners behind their nominees; and

(b) evasion of tax by suppression of 'secret' profits invested in holdings on blank transfers.

The proposed amendment is designed to curb these abuses. The Joint Committee might go into this matter further. Interested opinion in the country is pronouncedly against this provision, whereas there exists another point of view which would do away with this scheme of blank transfers except perhaps in the case of recognised financial institutions.

One other amendment of which specific mention may be made is that proposed in section 370 by clause 46 of the Bill. Section 370 *inter alia* lays down that a company shall not make any loan to another company under the same management unless the transaction has been approved by the lending company by means of a special resolution. At present there is no restriction on inter-company loans if the lending and borrowing companies are not under the same management. Even in the case of companies under the same management, the only restriction is that before making a loan, the lending company should pass a special resolution. In order, however, to ensure that company funds are properly utilised for the growth of industries and to present misuse of such funds, clause 46 of the Bill seeks to impose a limit on the amount of loans that can be advanced by a company by the mere passing of special resolution and make it obligatory for the lending company to seek the approval of the Central Government before making any loan exceeding certain limits.

I should also like to refer to clause 51 which proposes to amend section 395 with a view to checking the malpractices in relation to "take-over" bids and acquisition of shares of dissenting share-holders under a scheme or contract approved by the majority. The amendment provides for disclosure of adequate information to the shareholders in a "take-over" bid so that they could judge for themselves whether or not to accept the offer. Another safeguard provided is that no circular containing any offer to take over the shares of a company should be issued until a copy thereof is presented to and registered by the Registrar of Companies, who will have the power to refuse to register any such circular if it does not contain all the requisite information prescribed by the Government or if it sets out any information in such a way as to give a false impression.

I shall now come to the second category of amendments dealing with inspection, investigation and audit, which

are contained in clauses 21, 22(b), 24 to 28 and 58. Based on the experience of the difficulties encountered by the Registrars and Inspectors in carrying out their duties, the provisions relating to inspection and investigation are calculated to facilitate their work in regard to the inspection of books of accounts and investigation into the affairs of companies.

I would also invite particular attention of Hon'ble Members to clauses 22(b) and 24 read with clause 21(a). Clause 22(b) is intended to enable Government to issue suitable instructions to the statutory auditors of companies, while clause 24 would enable Government to issue necessary directions for conducting cost audit of companies engaged in production, processing, manufacturing or mining activities. To facilitate such cost audit, the proposed amendment to section 209(1) by clause 21(a) seeks to ensure that proper records relating to utilisation of material and labour are kept by these companies. The basic objective behind these amendments is to make audit more effective and to ensure that the audit reports do reveal the real efficiency and character of management.

The third group of amendments seek to simplify and relax some of the restrictive provisions of the Act where compliance may either be needlessly difficult or involve labour and expense disproportionate to the results likely to be achieved. There are more than twenty clauses in this category and these are based largely on the suggestion received from various Chambers of Commerce. It may be recalled that in its 53rd Report presented to this House in April last, the Estimates Committee had also recommended the need to simplify the provisions of the Companies Act.

Five clauses in this category, namely, clauses 32, 33, 34, 41 and 57 are intended to eliminate or to reduce the periodicity of some of the returns required to be filled by companies and their directors with the Registrars of Companies. I have no doubt that this will be widely welcomed by all concerned. Specific mention may also be made of clause 45, which proposes to relax the requirements of section 314 regarding previous consent of the company in general meeting in regard to the appointment of a director or a partner or a relative of such a director etc. to an office or a place of profit under the company. In place of such previous consent, the proposed amendment provides that it will be sufficient if approval of the company by means of a special resolution is obtained at the first general meeting held after such an appointment is made.

Another important amendment is contained in clause 61 which proposes to reduce the categories of relatives specified in Schedule 1A to the Act from 49 to 22. It has been represented to Government by various Chambers of Commerce that the list at present specified in Schedule 1A to the Act is so comprehensive that it has caused undue inconvenience and hardship to many companies in complying with the requirements of section 314 and other relevant sections, without any commensurate advantage to the companies concerned. After careful consideration of the matter, the Government have decided to revise the definition of 'relative' so as to include only near relatives specified in items 1 to 22 of Schedule 1A.

While on the subject of simplification, I may also refer to clause 62, the main object of which is to provide for a uniform time limit of 30 days for the filing of various documents by a company before the Registrar of Companies. This uniform time-limit, would I hope, be a considerable improvement on the existing position because at present the time-limit for filing various returns with the Registrar varies from 14 to 42 days.

Lastly, I would say a few words about clause 58 which proposes to delete sections 410 to 415 in regard to

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the Advisory Commission and insert a new clause to enable the Government to constitute an Advisory Committee for the purpose of advising it and the Company Law Board on such matters as may be referred to the Committee by the Government or the Board. As Hon'ble Members are aware, section 411 of the present Act requires Government to consult the Advisory Commission constituted under section 410 on all applications made to Government under the various section enumerated in clause (b) of section 411 before orders are passed on such applications. Experience has shown that the need to obtain advice from the Advisory Commission has caused delay in the disposal of cases primarily because every application—irrespective of the size of the company or the quantum of remuneration payable to the managerial personnel—is required to be referred to the Commission. Moreover, the procedure involves lot of paper work, labour and expenses without any commensurate results. Hon'ble Members are also aware that very recently a Company Law Board has been set up to administer the provisions of the Companies Act. This Board would be competent to advise the Government on any matter relating to major policy in company affairs. Since the Board could carry out the functions which are presently performed by the Advisory Board, it would be needless to continue the latter any longer. After considering all the aspects of the matter, Govcernment have come to the conclusion that a change in the present procedure is called for. Accordingly, it is proposed to abolish the Advisory Commission and set up in its stead an Advisory Committee consisting of not more than five members so that whenever necessary the Government or the Company Law Board can consult the said Committee on important cases or on questions of policy.

Within the limited time at my disposal, I am afraid, I have not been able to deal with the provisions of the Bill in greater detail though I would have very much liked to touch on some other amendments also. I would, however, like to emphasize that the Companies Act is essentially a regulatory measure and the various provisions contained in the present Act and as proposed in the Bill under consideration, are designed to promote greater efficiency in the working of the corporate sector and to ensure disclosure of fuller information about the activities of companies to the investors, creditors, general public and the Government. Disclosure of fuller information is the only sure means of judging whether a company is using its capital to the best advantage, it is being run efficiently and in the public interest, and pays its legitimate dues to Government. In the context of our developing economy and our limited resources, the promotion of greater economic efficiency is of paramount importance, and for the attainment of this objective, the corporate sector has to play its part by adapting its practices to rapidly changing conditions. Unless the regulatory provisions of the Company Law are also suitably modified from time to time to keep abreast of the changing economic and industrial climate of the country, there is the risk that the present Companies Act will be regarded as old fashioned. This is why the Government have to bring forward the present bill so soon after the Act was comprehensibly amended in December 1960, and again in 1963.

Since the introduction of the Bill in this House in September last, the Company Law Board has received various suggestions from Chambers of Commerce, Stock Exchanges and other bodies on some of the proposed amendments and I shall, in due course, place these suggestions before the Joint Committee for their consideration. I have no doubt that the Joint Committee would carefully scrutinize each of the proposed amendments and suggest such modifications thereto as may appear to be necessary, Sir, I move.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Companies Act, 1956, be referred to a Joint Committee of the Houses consisting of 45 members, 30 from this House, namely, Shri S. V. Krishnamoorthy Rao, Seth Achal Singh, Shri A. Shanker Alva, Shri Ramchandra Vithal Bade, Shri Rajendranath Barua, Shri Bali Ram Bhagat, Shri Dinen Bhattacharya, Shri N. C. Chatterjee, Shri Sachindra Chaudhuri, Shri N. Dandeker, Raja P. C. Deo Bhanj, Shri Bhaskar Narayan Dighe, Shri G. N. Dixit, Shri Gajral Singh Rao, Shri Prabhu Dayal Himatsingka, Shri Cherian J. Kappen, Shri R. N. Yadav Lonikar, Shri Madhu Limaye, Shri Ghanshyamlal Oza, Shri Shivram Rango Rane, Shri J. Ramapathi Rao, Shri R. V. Reddiar, Shri Era Sezhiyan, Swami Ramanand Shastri, Shri Digvijaya Narain Singh, Shri Sivamurthi Swamy, Shri Radhelal Vyas, Shri K. K. Warior, Shri Nagendra Prasad Yadab and Shri T. T. Krishnamachari and 15 from Rajya Sabha

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the last day of the first week of the next session;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make; and

that this House recommends to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of 15 members to be appointed by Rajya Sabha to the Joint Committee."

Four hours is the time allotted for this Bill. Members may please take fifteen to twenty minutes each.

Shri M. R. Masani (Rajkot): Mr. Deputy-Speaker, Sir, the Finance Minister has quite fairly stated that the scope of the Bill goes well beyond the recommendations of the Vivian Bose Commission and the Daphtary-Sastri Committee. The Statement of Objects and Reasons makes this very clear when it says that this Bill, *inter-alia*, seeks to implement the recommendations of the Commission and the Committee and that the opportunity is also being taken to do two things; to strengthen the provisions regarding investigation and to simplify some of the provisions of the Act. This is a point to be borne in mind; that the Vivian Bose Commission Report should not be considered to be an umbrella under which, all the provisions of this Bill—good, bad and indifferent—can be lightly accepted by this House.

Having gone through the Bill, I must confess that the amount of simplification that it undertakes is somewhat disappointing. There could have been much more done in that direction if the Bill had to be brought before the House at all and it is disappointing that this opportunity has not been adequately taken for this purpose. However, as is now the practice, the opportunity has been taken to arm the Governmental authorities with more powers to increase the already very massive accumulation of power that has been concentrated in the hands of this Government and its officials.

Now, the Vivian-Bose Commission considered mainly matters and incidents which happened 16 or 17 years ago. The ground that they covered was, therefore, old hat. In fact the enquiry committee itself was appointed under the Companies Act of 1913. The Bose Commission itself took note of the fact that, since this matter had been referred to them and since the incidents had taken place, a great deal

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of ground had been covered by legislation. The report observes that lacunas in the 1913 Act had been largely filled by the Companies Act of 1956 and the amending Act of 1960. Similarly, the Daphtary—Visvanatha Sastri Committee also confirmed that amendments have already been made in the company law to prevent many of the evils referred to in the report of the enquiry committee. To the extent that the Commission and the committee have accepted the fact that the kind of conduct that was referred to them could not have taken place under the law since 1956, and particularly since 1960, this Bill becomes uncalled for and unnecessary.

This fact was also recognised by Government themselves. In the debate in the Lok Sabha on the report of the Vivian-Bose Commission, the Minister of Industry, Shri Kanungo, stated that since the commencement of the Companies Act, 1956, very few cases of a serious nature of non-compliance with the provisions of the Act had been reported to Government, despite the existence of several provisions under which shareholders and others could have brought complaints against the company managements. In other words, both the Government in earlier statements and the investigating bodies have themselves admitted that there is no cause for alarmism or for extreme measures. In fact, the Minister, Shri Kanungo, claimed that since 1956 a great deal of discipline in the corporate sector had been maintained, and the Daphtary-Sastri Report confirms it. Therefore, I cannot but come to the conclusion that the existing law as of today is altogether adequate to deal with the evils that were revealed by the Vivian-Bose Commission Report and the subsequent committee.

In any case, as we all know, "hard cases make bad law." One does not legislate, if one is wise, for the hard case or the extreme example. One legislates for the normal situation and for normal behaviour. When laws are made dealing with extreme or isolated cases, in trying to dispose of one evil, they open the door to a hundred new evils, and that is why the lawyers say "that hard cases make bad law". And this Bill is a case of bad law to a large extent because it emerges from a hard case.

Then again, quite apart from the merits or demerits of this Bill, I think it will be admitted that constant tinkering with the law on any particular subject is in itself bad. There must be something like stability in the laws of a country, and people must know over a number of years where they stand.

Mr. Palkhiwala, one of our most distinguished lawyers in regard to taxation and company law, stated in Bombay on 9th November this year in the course of a speech that the Companies Act had been amended on an average twice a year. Twice a year, this very same law gets constantly tinkered with. This Bill, as he pointed out, proposes 61 major changes and 21 minor amendments. Mr. Palkhiwala went on to point out that section 350 of the Companies Act has now become so involved through constant tinkering and changing that it is capable of as many as six different interpretations which can all be validly held! He went on to say that the interpretation held to be right would not be endorsed by anyone having any knowledge of the English language. That is the state to which we have brought our company legislation, and he therefore, urged that all the complex provisions in the law should be scrapped.

Finally, this Bill is most untimely. We all know that the capital market is in the doldrums. Industrial progress has collapsed. Investors are shy of investing their money. Entrepreneurship faces a very difficult situation. The Finance Minister has recently frankly conceded—and I am glad

that he has done it, because the country has to be educated on this subject —the crying need for equity capital from abroad to be invested in this country, and I welcome his very wise statement on that point. But what kind of effect is this Bill going to have on our capital market in India and on foreign capital in this country which, as the Minister conceded, we so badly and desperately need?

The *London Times* of 3rd December, 1964, discussing our fourth Five Year Plan, says:

> "India's fourth five-year plan is now being drafted in an atmosphere of gloom and despondency, which contrasts sharply with the enthusiasm attached to the third plan four years ago....The problems of the industrial sector stem very largely from a lack of capital, of markets and of basic amenities such as power which are the hallmarks of a poor country. The shortage of foreign exchange means rigorous quota restrictions on imports, even of raw materials and equipment, while virtually all the private investment will have to come from domestic sources. In spite of the high rate of profit on foreign capital, there has been a net outflow of capital over the past three years."

This is in very sad contrast to the hopes and the wishes expressed by the Finance Minister. As the *London Times* pointed out, we have behaved so unintelligently in our desire to have foreign capital—

Dr. M. S. Aney (Nagpur): What is the name of that paper?

Shri M. R. Masani The *London Times* of 3rd December—that far from attracting it we are scaring it away. All our efforts come to this: that over the last three years, there has been a net outflow—not inflow—of capital out of this country. I feel that this Bill is going to be disastrous in its effect on Indian and foreign investment.

Sir, this Bill cannot be looked at in isolation. It has to be seen in the context of other statements and other policies of Government dealing with the corporate sector. It comes as one of several threats recently held out to the corporate sector.

The Finance Minister addressed a Conference of Regional Directors and Registrars of Companies on the 27th and 28th of October in Delhi. There he stated that proposals for the renewal of several managing agencies would have to be considered during the first half of 1965. That is correct. He then went on to say that the Company Law Board should give thought to this prolem and consider whether in well-established industries the managing agency system could be gradually abolished sectorwise. The effect of such a statement is bound to be harmful to the capital market. It is bound to impede the growth of our industry and our economy. There was no need for that statement. There was no need to frighten people of. Section 324 of the Companies Act lays down a procedure by which if it is decided not to have managing agencies in a certain sector of industry the matter can be processed. Sir, let me tell the House what the procedure laid down is. Section 324 of the Act says that a Committee of Inquiry should be appointed on the basis of whose findings Government may notify in the Official Gazette that companies engaged in any particular class of industry shall not have any managing agents as from a particular date. Where then was the need for this *obiter dictum*? When the time came, a Committee of Inquiry could have been appointed by the Government, the Committee could have investigated, their findings would have come before the Government and they could have made their decision.

I am sure the hon. Finance Minister did not want to scare off capital investment; on the contrary, he wants more and more of it. I would therefore like that whatever harm has been done may be undone by his giving an assurance on the floor of this House in

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reply to this debate that this was mere loud thinking and that the provisions of the law as laid down in the Companies Act will be applied and that this was not an expression of his intention to by-pass the law by executive order or administrative dictate or to by-pass the provisions of the Company Law through executive decrees. I think if this is done and reassurance is given that the normal law will take its course and that this was a personal expression of opinion which need not be taken into account by those concerned, it would have a helpful influence on the money market.

Then again, addressing that Conference of Company Registrars the Finance Minister threatened to revive his scheme for the deposit with the Reserve Bank of company reserves which had been mooted by him during his previous Finance Ministership in 1957 and which, fortunately for all, had been dropped. Under that scheme limited companies would be obliged and required by law to part with a part of their current reserves to the Reserve Bank. This requiring the compulsory deposit of reserves built up by a company would cause the greatest hardship to those companies which wanted to go in for expansion, which required the resources for their own re-investment to develop their business and create more goods and values for the country. With bank credit tight, this proposal would be even worse now than what it was when the Finance Minister first mooted it in 1957.

This, Sir, is the kind of statement that does great harm to the economy of this country, this kind of threatening attitude towards the corporate sector that is being indulged in.

On the other hand, the Finance Minister made a very good statement. I want to give him credit for that. He mentioned that the Companies Act should not be regarded as an ideological instrument for the achievement of socialism. That was very good. But what is the value of a general statement, a platonic statement like this, if the other two statements and this Bill show that this profession that the Company Law should not be used as an engine of oppression against private business for socialist ends is not carried out in practice?

Sir, the joint stock company is the modern twentieth century method of producing goods. There is no better system yet known to civilisation. The joint stock corporation is a co-operative enterprise. We have heard a lot from hon. Members on the other side about their love for co-operation. We too, on this side, are ardent believers in co-operation. But then, why not recognise the joint stock company for what it is—a co-operative of investors, of entrepreneurs, a co-operative of those who want to come together to produce goods and services for the community, which is exactly what it is? The principle of limited liability makes it possible for the small man to put his Rs. 10, Rs. 50, Rs. 100 or Rs. 200 into an enterprise without risking everything that he may possess. That is how the limited liability principle came in. But; instead of the joint stock company being looked upon with affection, with kindness and encouragement, we find that one law after another, one measure after another is brought in to break its back, and I fear the effect of this Bill is not going to be different from that of its predecessors.

Having stated this broad approach of reserve and caution and opposition to this Bill, let me now illustrate from just three provisions how harmful this Bill can be to enterprise. Some of these provisions were referred to by the hon. Minister in his opening remarks.

The first provision to which I would like to draw attention is clause 13 of the Bill—one page 5. The Minister

explained that clause 13 seeks to impose restrictions on the period of currency of blank transfers by requiring every instrument of transfer to be delivered to the company within six months from the date of issue in case of listed shares and two months in the case of other shares. The claim made is that this would curb abuses. So far, the abuses which it is meant to curb have not been placed before the House. I am sure the Joint Committee will demand a very satisfactory explanation of what exactly these abuses are and how they arise. Section 49 of the Companies Act permits the holding of shares by nominees in certain circumstances. Certainly that category of shares should be excluded from the purview of this new section, which is not being done. Similarly, shares held by banks and other financial institutions need to be excluded from the purview of this amendment.

The system of blank transfers is a common method of raising finance on the security of shares throughout the world. Shares with blank transfers are pledged with bankers or individuals. It lends mobility and liquidity to the shares and facilitate the raising of finance by those who need it. The proposed restriction would curtail the negotiability and liquidity of shares and create difficulty in raising finances, with adverse repercussions on the money market.

Throughout the world, as I said, the system of blank transfers exists and nobody has argued that the system of blank transfers creates any abuses. Only one country in the world does not allow blank transfers and that is the United Kingdom. The United States and all countries on the Continent have this system. There are bearer shares, shares on which no name would ever appear, and there are blank transfers. In the United States, instead of restricting the currency of blank transfers, the law gives statutory recognition and protects the holders of bearer shares and blank transfers. The Uniform Commercial Code and the Uniform Stock Transfer Act of the United States give special protection and blank transfers are recognised by leading stock exchanges everywhere. If the system can work on the whole Continent of Europe and in the United States, there is no reason for us not to give it a chance to function.

I would like to warn the House that if this clause is not suitably modified in the Joint Committee, there will be a further drop in the stock market, there will be a further set-back in our capital market. Practical difficulties would arise. I mentioned what they would be. In the case of loans granted by banks on the security of shares, in the case of shares held by trusts, in the case of shares where a nominee holds shares for voting purposes, in all these cases great harm would be done. The inquiry commission itself, the Vivian Bose Commission, recommended that the restrictions should not apply when shares are held in a fiduciary capacity or as security by a financial institution. I fail to understand why in this particular respect the recommendation of the Commission of Inquiry was jettisoned or ignored while so much of lip service is being paid to it in other respects.

15 hrs.

Sir, you have rung the bell, but I would like to refer very briefly to two other clauses. Clause 24 provides for the Government to enforce a cost audit over the head of the managements of companies where it thinks it is necessary. All right, let there be a cost audit. But the worst part of this provision is that the report of the audit has to be given to the Registrar of Companies, which means that any Tom, Bick and Harry will get hold of that report, exposing a company's confidential, secret and technical information to their foreign or local industrial rivals in the world. This is a very dangerous clause and, if there is anything which frightens foreign capi-

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tal, I want to tell the Finance Minister, this is it. No foreign capitalist with any self-respect is going to come into this country to suffer this treatment. It will not come to India when their patents and technical secrets are to be exposed to the scrutiny of the market place, because the Government of India at some stage makes up its mind that such a report should be made. The Associated Chambers of Commerce have expressed their concern very strongly and I do hope that when this Bill goes to the Joint Committee, the provision that the auditor's report should be sent to the Registrar of Companies will be struck down as being a most harmful provision in the interests of this country.

Lastly, I come to clause 46, which seeks to apply the principles governing inter-company investments to inter-company loans, which is bad. Under the Companies law inter-company investments and inter-company loans are two entirely different things with a different nature and different aspects. One is short-term and the other is long-term, and what applies to one does not apply to the other. So, this attempt to apply the restrictions imposed on inter-company investments on inter-company loans is misconceived and should be dropped.

It seems to me that at a time when the patient is sinking, when the blood pressure is low and a stimulant is required, which is the state of our capital market today, Government have brought forward measures to combat high-blood pressure. As I said before, this is not medicine, this is not scientific treatment; this is quackery. This Bill shows that the path of quackery is still the path that the Government propose to follow. I am glad that this measure, good and bad in parts, is going to the Joint Committee. I sincerely hope that the Joint Committee will eliminate some of the harmful and objectionable features of the Bill. If it does not do so, we shall have to fight them when the Bill comes back to the House.

Shri Morarka (Jhunjunu): Mr. Deputy-Speaker, Sir, I am thankful to the hon. Finance Minister for the motion he has just moved, the motion to refer this Bill to the Joint Select Committee. The present Bill contains very many important provisions and, if I may say so, some of them are very novel provisions. It is therefore very essential that a Bill like this is scrutinised by the Joint Committee. Since this Bill governs the operation of the corporations in this country, it has a far-reaching effect on the economic life of the country, in as much as most of the economic life of the country is controlled and managed by these corporations.

Before I say anything more, I would like to correct one impression, and that is this. The hon. Finance Minister stated in his speech, and it is also mentioned in some of the notes on clauses, that some of the present important amendments are as a result of the recommendations of the Commission, popularly known as Vivian-Bose Commission. So far as the Vivian Bose Commission is concerned, it submitted its reports in two parts. The first part deals only with the findings on those 9 companies of the Dalmia-Jain group, a factual report to which Justice Vivian Bose was a party. But the actual recommendations, on the basis of which this Bill has been brought, are not the recommendations to which Shri Vivian Bose was a party. Those recommendations were made at the end of October 1962 by the other members of the Commission excluding Shri Vivian Bose. Therefore, it would not be proper to say that Justice Vivian Bose is in any way a party to the recommendations which we are considering today.

It was not long ago that we have re-written our company law. It was only in 1956. Then we made another major amendment in 1960. Between the years 1956 and 1964 this law has been amended for not less than six

times and this is the seventh amending measure which is before the House. I agree with the hon. Finance Minister that some of the amendments which are sought to be made are directed towards simplifying the provisions of the Act, So, I must congratulate the hon. Finance Minister for having realised a practical difficulties of the corporations and tried to reduce the avoidable paper-work as well as some routine formality. Even so, the overall picture that would emerge after the passing of this Bill would be to make the companies law a little more rigid, a little more harsh, a little more complicated and that, in any case, it is not going to achieve the purpose, it is not going to fulfil the objectives which the hon. Finance Minister so eloquently mentioned today.

I want to repeat the argument which the hon. Member, Shri Masani, mentioned namely, that all the recommendations of the enquiry Commission—I would not call Vivian Bose Commission are based on the findings of one group of companies, companies under one management, and that too at a time when the present Companies Act of 1956 was not in existence. It is on the basis of those recommendations that we are amending the law. What is the evidence that the hon. Finance Minister has for bringing in this measure before us after the 1956 Act came into force? In the course of his speech he said something about the difficulties that the Company Law Department faced. Here I would like to give two quotations from the reports of the Company Law Department which have been placed on the Table of the House. What do they say? On page 97 of the report for the year ending March 1960 they say:

> "As a result of the vigilance exercised by the department and its field officers the deliberate evasion of the provisions of the Act is becoming less and less common."

Then again, in the next year's report it is stated:

> "It is relevant to mention in this connection that as a result of continued vigilance exercised and the advice tendered during the last few years by the department and its field officers, deliberate evasion of the provisions of the Act has diminished appreciably."

The evasion of the law is becoming less and less, it has diminished appreciabily. Then the Minister in charge of this Department, Shri Kanungo, as late as in the month of May last year told this House that after the 1956 Act came into force, the instances of omission and commission are very few. One quotation Shri Masani had given, but he did not give the other one, which I would now give. Shri Kanungo had stated on the same day:

> "The point which I am emphasising is that since the coming into operation of the Companies Act, 1956 and the amending Act of 1960, there has been a great deal of discipline in the corporate sector."

A perfect sense of satisfaction in the mind of the Minister, a perfect sense of satisfaction in the minds of the department which administers it, and yet based on the recommendations of a Commission, which examined cases of a period prior to 1950 and the malpractices which took place under the provisions of the 1913 Act, you are bringing in this amendment. I say that in order to defeat the designs of an odd offender, you cannot legislate, you cannot put fetters or prevent honest corporations from functioning with a certain amount of flexibility. In this view, I am supported by what the Jenkins Committee has stated in England recently. I am quoting:

> "It would be wrong in principle to disturb in any important respect longstanding provisions designed to serve their ends unless they have clearly outlived their

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usefulness or are demonstrably objectionable on other grounds."

Has there been any evidence that the provisions of this law have outlived their utility or have they been proved to be demonstrably objectionable The answer is "No". Then, why disturb this provision? On what basis? On what evidence?

I think, a basic law, like our corporate law, should not be subjected to such major changes so frequently. When Shri Chagla was the Chief Justice of the Bombay High Court he once observed that the production of laws by Parliament was so fast that, leave alone the citizen even the judges could not cope with it. I have a feeling that after independence we have been prolific in the production of three things without any dobut, one is our population, the other is legislation and the third is the crop of politicians.

Having said this, I would like to say that for some reason or the other the corporate sector is suffering from an apathy of the Government. It suffers from three main handicaps, namely, legislative rigidity, administrative discrimination and fiscal severity. Why do I say legislative rigidity? The provision in the law is that if the entire Board of Directors want to give any increment to the manager even of Rs. 100 they must not only have the special resolution of the company but also the permission of the Central Government. Sir, look at the absurdity. If they want to appoint any other person and do not want to call him the General Manager but call him as a departmental head or by other names they can give any salary they like, You can give three or even ten times the salary that you give to your Managing Director or to your Manager. I thought that at the hands of the present Finance Minister this law would become a little more realistic, that he would remove all these objectionable and absured features in the law and make it a simple and effective instrument for controlling and regulating the corporate sector, but I am sorry to say that in this respect to the present amendment has disappointed us.

What does the Commission, on the basis of whose recommendations we are legislating this, say? The Commission has said in para 63 of its Report:—

> "We have not taken the evidence of Chambers of Commerce and other bodies representing Commerce and Industry, as we have been assured that if any legislation is contemplated, the normal process of consultation will ensue, and also because the time at our disposal between the submission of the investigation part of our Report on 18th June and making these recommendations was just over four months."

After this the only thing that the Government has done is to elicit the opinion of the Daphtary-Sastry Committee. I admit, they are very eminent and knowledgeable people in their own field. But what do they know of the practical difficulties of running a company? And, again, they did not take any evidence from any corporation, chamber of commerce or any business organisation. The opinion of individuals, howsoever eminent they may be, is likely to be fallible and it must be tested by the testimony of the general people, of persons who are oncerned, who are likely to be affected and who know something about the subject. Unless those tests are applied and the recommendations are tested, it is no use our hastening legislation on these subjects.

I am not making this criticism in the air. I will give you one example because time would not permit me to give you more. I can assure the House that I can give many more, but I will give only one example to illustrate what I mean. The present

Bill seeks to regulate the objects clause in the corporation's memorandum. It says that hereafter before a company commences its business it shall place the matter before the general body and that general body must approve the commencement of the business by a special resolution. "By a special resolution" means by a resolution to be passed by three-fourths majority. A company is formed, but before a company can commence its business, even the main objects of the company must be approved by a special resolution! If 26 per cent of the shareholders in a company—take the extreme example—for one reason or another do not approve it, the wishes of 74 per cent of the shareholders can be thrown to pieces. All the arrangements, collaboration agreement, loans, banking, purchase of land, whatever you have done go phut. By this are you not giving the minority the veto power? Are you not aware that there can be many cantankerous people in the minority wherever they may be? It is not easy to have a very pliable minority everywhere. Therefore, knowing what minorities are and knowing how they behave, I think, the hon. Finance Minister should have been very careful in giving this veto power.

What has happened is this. The Bose Commission only said: Divide the objectives of the company in two parts, the main and the ancillary ones. So far as the main objects are concerned, you follow the normal course; but so far as the other objects are concerned, which are not related to the main objects, you must have the approval of 75 per cent shareholders by a special resolution for those objects. Then, this recommendation was referred to the Daphtary-Sastry Committee. They went a step further and said that even the main functions or objectives of the company should also be approved by a special resolution. I am sure, the Finance Minister did not apply his mind to this provision; otherwise, he would never allow a thing like this to happen because unwittingly you are giving veto power to 24 per cent shareholders, if the 100 per cent shareholders are present. But in other companies 10 per cent shareholdeds can veto a provision like this. Who would benefit by this?

Then another thing is there. This report criticizing the provisions was made in the month of October 1962 and here are two Government companies whose memorandums I have got which were floated in January 1964 and June 1964. I wish to draw your attention to their objects clause. What are the objects for which these companies have been floated? Permit me to read out from the memorandum of Bokaro Steel Limited. It is a company, as you know, incorporated for the purpose of erecting the Bokaro steel plant, running it and managing it. Its objects clause includes:—

> "To carry on business as timber merchants, saw-mill proprietors and timber growers and to buy, sell, grow, prepare for market, manipulate, import, export and deal in timber and wood of all kinds, and to manufacture and deal in articles of all kinds, in the manufacture of which timber or wood is used, and to buy clear, plant and work timber estates."

Another one is:

> "To carry on business as manufacturers of chemicals and manures, distillers, dye makers, gas makers, metallurgists, and mechanical engineers, ship-owners and charterers, and carriers by land and sea, wharfingers, warehousemen, barge-owners, planters, farmers and sugar merchants; and so far as may be deemed expedient the business of general merchants; and to carry on" etc.

Shri P. R. Patel (Patan): Sugar growing is there or not?

Shri Morarka: No. Then, the next one is:

> "To carry on the business of printers, lithographers and binders."

Still another one is:

> "To carry on business as manufacturers of and dealers in motor cars, tractors and vehicles of all descriptions, aeroplanes, hydroplanes and all kinds of aircraft and all component parts, engines, accessories, spare parts and fittings thereof."

Shri A. P. Jain (Tumkur): They are major objects or minor objects?

Shri Morarka: I want to mention one more object and that is:

> "To establish, maintain, manage and operate restaurants, refreshment rooms, buffets, canteens, cafetarias and hotels and to carry on the business of general provision merchants, licensed victuallers and tobacconists."

Mr. Deputy-Speaker: The hon. Member should conclude now.

Shri Morarka: Now, Sir, even after hearing the criticism of this Inquiry Commission, the companies of the Government themselves are including all these in their Objects Clause in their own companies even though the Government companies do not have to do any other business for their maintenance or sustenance as the companies in the private sector may have to do. Since you have rung the bell, I would not quote other things.

Shri A. P. Jain: You quote from the other ones also.

Shri Morarka: Since it is the desire of the hon. Members let me quote from the other one. This is the Memorandum of Association of Hindustan Steelworks Construction Limited which was incorporated on 23rd June, 1964. One object is:

> "To carry on the business of carriers by land, sea and air."

Another one is:

> "To purchase, take on lease or in exchange or under amalgamation licence or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, maintain, work, hire, hold, improve, alter, manage, let, sell, dispose of, exchange, roads, canals, water-courses, ferries, piors, aerodromes, lands, buildings, water-houses, works, factories, mills, workshops, railways, sidings, tramways, engineers, machinery and apparatus, water-rights, way leaves, trade marks, patents and designs, privileges or rights of any description or kind."

Then, there is another one which says:

> "To carry on the business of manufacturers and dealers in explosives, ammunition, fireworks, and other explosive products and accessories of all kinds and of whatsoever composition and whether for military, sporting, mining, industrial or any other purpose."

I can go on indefinitely quoting all these things.

Shri A. P. Jain: Now you can leave it.

Shri Morarka: The only point I want to make is this that this Objects clause of companies is not a new thing to our companies at all. This clause exists from the time immemorial. It has been tested in England. There is a decision of the House of Lords and the House of Lords, while criticising the probing nature, have come to the conclusion that this clause has the backing of the history behind it and, therefore, it is very effective and it would be wrong to change it. The Daftary-Shastri Committee, while relying on this decision of the House of Lords, have mentioned this thing to support the case but they did not do the courtesy to mention the full

facts as to what was the ultimate conclusion, the decision, of the House of Lords. And that thing is done by the Jenkins Committee. The Jenkins Committee has said that even though they have criticised it, they still feel that it is an effective provision and it must remain; there should be no change in it. Whether you like to keep it or change it is immaterial. But the point is this. Is it your intention to give the minority a veto power even for starting the main objects of the company? What would happen if such a special resolution cannot be passed by that company? Money would have been collected, all other arrangements would have been made and expenses would have been incurred but still the company would not be able to commence its business.

Shri A. P. Jain: The company will go into liquidation.

Shri Morarka: No. The company will not go into liquidation. The company cannot go into liquidation. It would be hanging somewhere in the air. It cannot start its business. It will go on incurring various expenses. This is what will happen.

The conclusion of the Jenkins Committee is that undoubtedly there is a risk that dishonest directors in some companies might mismanage the affairs, they might benefit and they might do harm to the corporate sector but still they say, "After careful consideration we have come to the conclusion that that is the legitimate risk and in every business that risk must be taken." As you know, Sir, it is reported very many times that thieves enter into a house from a window and that thieves enter into a house because the doors were unlocked etc. Now, the proper thing for you would be to protect those windows or to keep a chowkidar. But to legislate that no house shall have a window, I think, is a remedy that would be worse than the disease itself. According to me, that would be a very short-sighted policy.

Then, I said, there was administrative discrimination. What can be the better proof of administrative discrimination than this that for the purpose of Income-Tax Act a public company is considered to be a private company—a really public company is considered to be a private company for the purpose of income-tax—and for the purpose of Companies Act, a private company is considered a public company? Why is this sort of apathy to the companies particularly when the Government encourages the co-operatives so much? What is the difference between a co-operative and a company? There are two main differences. One is that the dividend in a co-operative society is limited to 6 per cent and another is that each shareholder has one vote irrespective of the number of shares he holds. If the Government thinks that that pattern is better, if the Government thinks that the co-operative societies have given a better account of their performance in this country.....

An Hon. Member: Question.

Shri Morarka:....and if the Government feels that that type of organisation, that type of management should be encouraged, then why not limit the voting power and put these companies at least on the same level as the co-operative societies? This type of administrative discrimination does not do any good to the growth of our corporate sector.

Then, I said about the fiscal severity. If there has been one consistent policy followed in the Finance Ministry irrespective of the change of the Finance Ministers, it is the constant increase of tax burden on the companies. In many other fields there have been changes. But so far as the companies are concerned, the tax burden on the companies has been consistently increasing. As long as the companies can bear, as long as these tax measures do not discourage the formation of new companies, it is all right. The country

[Shri Morarka]

needs more money, more revenue, for defence and development and nobody will object to that. But then to impose such a crushing taxation on particularly what are known as 23A companies is not proper. The company which has got 20,000 shareholders, but because the majority of the share-holding of this company is controlled by a few persons, is regarded as a private company for the purpose of the Income-Tax Act whereas another company which has got only 10 or 11 share-holders is regarded, for the Income-Tax Act, as a public company. I was hoping that the present Finance Minister will remove this sort of thing and that he will bring a sort of rationale and logic in the corporate sector so far as the tax law is concerned and so far as the provisions of the company law are concerned.

Mr. Deputy-Speaker: The hon. Member must conclude now.

Shri Morarka: I have already taken so much time. I would refer to only one clause more, that is, Section 370 which deals with inter-company loans. Here again, the Government's policy is not clear. So far as the fiscal law or the taxation law is concerned, the Government encourages inter-corporate investment. They charge less tax on the dividends received by one corporation from another corporation. Inter-corporate investment is encouraged by our fiscal laws whereas so far as the company law is concerned, there is a prohibition on investment, and there are limits about the investment, and now they also seek to put limits on inter corporate loans. I can understand if you do not permit one company giving loans to another company, when both of them are under the same management, and this prohibition or this limit was already there. Now, Government are seeking to amend it by saying that no company can give a loan to another company above a certain percentage, and that percentage is 20 per cent of the paid-up capital.

The managing agency companies have got a very small capital, of the order of Rs. 1 lakh or Rs. 2 lakhs. They have to give in times of emergency large amounts by way of loan to the managed companies. If this provision would apply to them also, how could it be possible for them to fulfil their contractual obligations to find finance for the companies in times of emergency under the managing agency agreements?

There are so many other provisions like this which merit very careful scrutiny at the hands of the Joint Committee. My consolation is that this Bill is going to a Joint Committee where very many eminent Members of this House would be present, and I am sure that the hon. Finance Minister who is present here and who has so kindly heard my speech would no doubt give due consideration to these things.

Before I conclude, I want to mention one point, and that is regarding the objection or the exception which my hon. friend Shri M. R. Masani took to the statement of the Finance Minister which was made by him before the Conference of the registrars and regional directors, about abolition of the managing agency system. In section 324 of the Act of 1956, there is a provision that the Government may at any time after the 15th August, 1960 name any industry from which the managing agency system would be abolished, and, thereafter, the managing agencies, that is, even the existing ones, would come to an end, and new ones would not be sanctioned.

Now, it could be legitimately asked of Government why they did not take any action under the provisions which were enacted in 1956. If Government are serious that the managing agency system should have been curtailed, the managing agency system should have been contracted at least from the field of some industries which are already well established and which do not need the services of the managing

agents any more, then they should have initiated some action under section 324. All that I want to tell my hon. friend Shri M. R. Masani is that the statement of the Finance Minister to which he had referred was nothing more than a reiteration of the provisions of section 324 which still require to be enforced. I think that the hon. Finance Minister should apply his mind, whether by appointing a committee or otherwise, to see in which of the industries where this managing agency system has already outlived its utility and where this provision should be enforced.

Shri S. M. Banerjee (Kanpur): Since the Bill is going before a Joint Committee, I would like to reserve some of my comments and I shall offer them when the Bill emerges from the Joint Committee.

As is evidenced from the Statement of Objects and Reasons, this Bill has been brought forward after considering the recommendation made by or the report of, the Vivian Bose Commission and also the observations made by the former Solicitor-General.

I have heard with rapt attention the very eloquent speeches of my hon. friends Shri M. R. Masani and Shri Morarka. Some of the points deserve reconsideration by the Finance Minister. But when something is said about the managing agency system, I am reminded of what happened recently. Recently, the DCM at their annual general meeting have made an appeal to Government that the period should be raised to ten years. I know how far the Finance Minister or the Government would reconcile this with their past declarations. I know the Finance Minister, and if I have heard him aright, I know that he is against the managing agency system. He has made it abundantly clear in many of his speeches that he was personally opposed to this. I would like to have a clear assurance from him whether the managing agency system is going to continue in this country or whether it is going to be abolished.

15.36 hrs.

[DR. SAROJINI MAHISHI *in the Chair*]

The managing agency system may be good temporarily to suit the convenience of the new companies, and it may be allowed to continue for some time or for some years in the case of those companies. But where the companies are well established I do not think that there is any need for the managing agency system.

Coming to the question of selling agents, I was surprised to know the list of selling agents of the Synthetics and Chemical Co. at Bareilly which is said to be manufacturing synthetic rubber and other things. Their selling agents are mainly their kith and kin. It is a limited concern, but it is limited to their own kith and kin. Unless a thorough probe is made into the appointment of the selling agents, I do not know what is going to happen to the shareholders and how their confidence in the particular company could be restored. I would have given the names of some individuals, but I do not think that it is advisable, nor would it be proper for me to mention some of the names of a new concern which is coming up because I wish them all success. But the malpractices, the maladministration, the mismanagement etc. right from the very beginning may ultimately become a cancer and then it will be difficult for the Company Law Administration or the Finance Ministry or anyone else to rectify those mistakes and mismanagement of those companies.

Then, I would come to some of the other items under company law. It takes a considerable time to finalise a particular case. When my hon. friends Shri Kanungo and Shri K. C. Reddy were heading or supervising this company law administration, I had referred to one typical case in Kanpur of the weekly called the *Citizen*. The editor of this particular paper

[Shri S. M. Banerjee]

Shri Mehra, is facing all sorts of humiliations at the hands of the company law administration because the other party is a big industrialist of Kanpur, and my information is that he has influenced some of the officers of the company law administration to humiliate Shri Mehra to the hilt, and in fact, not merely Shri Mehra but even his son, his wife and all others who were connected with criticism of that small concern which was floated actually by the big industrialists of Kanpur. I need not mention the name of that big industrialist, because his name is already popular after the Gonda case. I would request the Finance Minister to kindly consider this case, to ask for the files and see why he is made to face so much of humiliation because one industrialist is involved.

Then, I would refer to certain other companies. My attention has been drawn to the various news items in some of the reputed weekly papers about one company known as the Permament Magnets Ltd. Recently, we have been reading a lot in the Bombay and Gujarat press about a big company called the Permanent Magnets Limited, with which, I am sorry to say, the son of an ex-Cabinet Minister is connected. It has been reported that some aspetcs of the conduct of this company's affairs were recently referred to the advisory commission of the company law administration of the Finance Ministry, and we hear that the agreement that this company has signed for the sale of its products especially is under scrutiny. I would like to know what the truth about these things is. I say this beacuse when the name of some Cabinet Minister or ex-Cabinet Minister or his son or anybody connected with him is involved, it gives a bad name to our country as a whole, becaunse we want Cabinet Ministers to be like Caesar's wives. They are not directly responsible for the conduct of their sons—I am sure about it. But if the position of his father or her father is utilised for the purpose of benefiting a particular company, it requires a thorough probe and investigation. Big personalities were or are connected with Permanent Magnets. As I have mentioned, the son of an ex-Cabinet Minister was its chairman. The inauguration of this particular concern or unit was graced by the ex-Finance Minister. I am really sorry to say this. Some months ago, a personal assistant of this gentleman—I do not want to name him since he cannot defend himself here—filed an affidavit in the Bombay court cataloguing a number of irregularities allegedly committed by his former employer. A number of dubious transactions were mentioned. Has Government tried to verify these? They should verify these. I am prepared to give them as much material as they would like to have. I am not opposed to the ex-Cabinet Minister or his beloved son, but I am more concerned with this country and the country is more beloved to me than anybody's beloved son. So I would like the Finance Minister, who is known for his integrity, to kindly consider the whole aspect of this case and let us know what is the truth about this Permanent Magnets.

Coming to another point, my hon. friend, Shri Kanungo, came here and went away, perhaps because he is not concerned with this. In this very House we put some questions about the appointment of an inspector to go into the Sahu-Jain companies. I put a question whether this inspector who was appointed was involved in a case in connection with the Mukteswar Electric Company. In reply the hon. Minister wanted to ridicule me by saying 'you wish to champion the cause of some business house'. I was sorry. I laughed at him. Just after two months of his saying that there was no charge against that inspector, what did we read in the newspapers the other day? The same thing which I mentioned has in this House has come true, and that gentleman has been arrested because of defalcation or falsification of accounts

or something like that connected with the same company. When you select some persons, if you are sincerely interested in going into the affairs of big business houses—whether it is Sahu-Jain or Birlas or anybody—should we not select persons of known integrity with a clean slate, so that there may not be any impression created in the country that we are appointing those who have not got a clean slate? I would humbly urge the Minister through you to ask his colleagues like Shri Kanungo not to make such sweeping remarks that so and so was never involved, he was very honest. Of course, in his answer, he said that 'it was not to his knowledge'. Shri Kanungo, who is supposed to be a versatile genius in everything said that he was not conversant with it. I wanted to raise the matter as a question of privilege for misleading the House, but since he is elder to me, I left him.

Let me come to another matter which is still agitating my mind. You know in this House at the time of the discussion of the Vivian Bose Report and other reports, we had been demanding the auditors' reports of two Birla companies—the Ruby General Insurance Company and the New Asiatic Insurance Co. Ltd. On 5th December 1959, one of the Under Secretaries to the Government of India, Ministry of Finance, wrote to the principal officer of the New Asiatic Insurance Co. Ltd., New Delhi, as follows:

> "I am directed to state that irregularities in the management of the New Asiatic Insurance Company Ltd., have come to the notice of the Government of India. They are set out in the Annexure to this letter. Before deciding whether any action should be taken and if so, what, Government would be glad to have the explanation of the Company in regard to all the items set out in the Annexure. A reply may be sent as early as possible and in any case before the expiry of a month from the date of this letter."

In the Annexure enclosed with the letter there are serious irregularities pointed out on the basis of the Auditor's report.

Another letter was sent on 30th July, 1960 by the same officer, Under Secretary to the Government of India;.....

Shri P. R. Patel: I rise on a point of order. Are we discussing Birla's affairs or the affairs of the New Asiatic Co. How are they relevant?

Shri S. M. Banerjee: Whenever I mention this house—I have not mentioned Birla's house—he is very allergic to it, I do not know why.

Shri P. R. Patel: The point of order I am submitting is that here we are discussing something . . .

Shri S. M. Banerjee: Something is what? Company law.

Shri P. R. Patel: Company law, and my friend refers to some companies, saying this and that. I am not concerned with them, but my submission is this, that whatever may be said by one Secretary to another, a final decision has been taken by the Government, and also it has been examined perhaps by the Advocate-General.

Shri S. M. Banerjee: I expect a reply from the Minister.

Shri P. R. Patel: The reply has been given in the House, and that is final. Would it be proper to agitate again and again for the same thing?

Mr. Chairman: Shri Banerjee should not get excited over the matter. He is not required to reply to the hon. Member. I am requesting hon. Members that when they refer to any particular case, they need not mention the names of those who are not

[Mr. Chairman]

present here, and they need not also go into the details. I request them to make the reference only to the extent that is relevant.

Shri S. M. Banerjee: As you have correctly said, I need not answer him because to me it is all irrelevant.

I was saying that a letter was addressed to the Ruby General Insurance Co. I am not talking of persons. It states:

> "I am directed to state that irregularities in the management of the Ruby General Insurance Company Ltd., have come to the notice of the Government of India. They are set out in the Annexure to this letter. Before deciding whether any action should be taken and if so, what, Government would be glad to have the explanation of the Company in regard to all the items set out in the Annexure. A reply may be sent as early as possible and in any case before the expiry of a month from the date of this letter."

Shri A. P. Jain: How does he get a copy of it?

Shri K. C. Sharma (Sardhana): Resourceful.

Shri S. M. Banerjee: It is available in the Library.

We have yet to get the full audit reports of these companies, I do not know why. Somebody asked me why I was speaking against these companies. I generally say that if a particular person is a good person, that report must be brought to the notice of the House, should be laid on the Table of the House. How is it that the reports on these two companies, even after all the pressures, at least the full reports, have not seen the light of day? The Finance Minister should be a Daniel, should be impartial. I sincerely appeal to his sense of impartiality and justice If there is something wrong with a particular house and if there is really an audit report which is absolutely scandalous,—I do not feel shy of using the word scandalous—then it should be laid on the Table of the House. If the particular company wants to prove its innocence, or its good intentions, then it is more necessary that it should be discussed on the floor of the House.

In this amending Bill, certain provisions are really good. I congratulate the Finance Minister on bringing this legislation, but I feel that a more comprehensive legislation, covering all aspects, whereby we can plug all loopholes in the company law, should have been brought. I have a feeling that there is a pressure throughout the country that this Bill should not have been proceeded with. The resolution, the letter of the Chamber of Commerce people is there, which was published. They do not want anything to be considered, they do not want that such a legislation should be brought. If companies are allowed to squander the money of the shareholders, if companies are allowed to swindle the money of the shareholders, I do not think that the shareholders will have any faith in such companies. I am almost sure that the Joint Committee would invite the opinion of those who have made a careful study of the chains of big business houses. I would request that men like Prof. R. K. Hazaria should be invited by the Joint Committee to place their valuable suggestions before that Committee. Because, the Vivian Bose report has shown us what is going on in the companies. Shanti Prasad Jain or Dalmia Jain may not be a solitary instance; it should be an eye opener to us to show what is happening in other concerns.

The Finance Minister may reply to two of my points in his reply. One

is about the Permanent Magnete; it is a horrible magnete. It should be replied to. The second point is whether the Government has taken a final decision about these two companies—Ruby and New Asiatic. I assure the Finance Minister that whatever legislation he brings forward to loophole the plug . . . (*Interruptions*). The lawyers and a loophole in the legislation. Whatever opposition there might be from the reactionary elements, who are big industrialists and who want to reap a harvest at the cost of the poverty of the country, we will support such legislation.

Shri Surendranath Dwivedy (Kendrapara): Madam Chairman, in spite of the scare that has been created by my friend Mr. Masani that the provisions of this Bill are likely to have an adverse reaction in the capital market not only in our country but also outside, I think Parliament would never hesitate to arm this Government with more powers to remove malpractices and take stringent measures to prevent fraud going on in free enterprise. There is no place for a free capital in this country at the cost of the community and the nation, to do all sorts of mischief and create difficulties for the development of our country. Mr. Masani mentions about the accumulation of powers in the Government; he has also stated that the present laws are adequate to regulate the corporate sector and there was no need at this moment when capital is shy to go in for measures like this. But it would have been obvious to him after the report of the Bose Commission and the report of the Shastri-Daphthari committee that the present laws are not sufficient to prevent malpractices that came out in the course of the investigations. My complaint is that this Government has done precious little to prevent these malpractices in spite of the fact that more and more powers are unhesitatingly being given to this Government. If one goes through the provisions of this Bill one would find that in spite of the specific recommendations made by both the Bose Commission and the Daphtary committee, the provisions of the Bill do not go for enough to prevent this mischief. They have enough power not only in this company law which has been amended several times during the course of the last nine years in order to give them more powers to check malpractices and to prevent anti-social activities, but there are the Defence of India Rules at their disposal to take action if there was no adequate provision in this Bill for any contingency.

So far as the present Finance Minister is concerned, not only has he all the legal powers but—I would not be uncharitable if I say—he is enjoying almost a monopoly so far as the shaping of the economic policy of this Government is concerned. He has also vast experience through all these years how and why, in spite of best efforts, the private sector is not playing its part as well as it was expected to play. If in spite of all these laws evasion of income-tax takes place, blank transfers go on merrily—Shri Masani indicated that even in the United Kingdom this is permitted and we should continue this practice in this country—I say there would be no harm at all if the blank transfer system is altogether abolished.

15.57 hrs.

[MR. SPEAKER *in the Chair*]

I would welcome if in this measure there was a provision to safeguard against manipulations and manoeuvres and to control companies with fictitious names. All these have continued in this country, and that is because the Government have failed to take any action. They have failed miserably, I would say. Here and there, they have sometimes caught hold of small fries but so far as the big business is concerned, which is at the root of the very difficult situation that has been created, they have done precious little.

[Shri Surendranath Dwivedy]

In this connection, I want to refer to this aspect. After all, they have the Company Law Administration to administer all these powers which have been taken by this Government and this executive. Now, there is a history behind the company law administration itself which is known as the Company Law Board or something like that. For 20 years they have discussed as to what will be the powers etc. of this body, and they have wasted time—it was under the Commerce Ministry. It was again transferred to the Commerce and Industry Ministry, after it was taken over by the Finance Ministry for some time. Now, it has again come back to the Finance Ministry. One does not know whether this is the final thing or again they are going to transfer it to some other Ministry or not. But what is the record of this Company Law Administration? It is very disappointing indeed. It is not that these things have not come to the notice of the Company Law Administration. It is not that reports of malpractices in respect of various companies have not been brought to the notice of this administration or the Government. The point is they have always hesitated to take action. Even in the case of the "Mundra deal", I would respectfully submit, it is not the Company Law Administration that unearthed it.

Mr. Speaker: Is the hon. Member going to conclude his speech in a few minutes?

Shri Surendranath Dwivedy: No, Sir: I have just begun.

Mr. Speaker: Then he may continue next time. We have to take up another item now.

16 hrs.

DISCUSSION RE: MANUFACTURE, CONSUMPTION AND PRICE OF CARS—*Contd.*

Mr. Speaker: The House will now take up the discussion under Rule 193, the discussion on manufacture, consumption and price of cars. We had originally allotted two hours for this discussion. About twelve hon. Members have already spoken on this. I have a list of 18 others, besides those who might try to catch my eye.

Shri Hari Vishnu Kamath (Hoshangabad): It may be extended by one hour.

Mr. Speaker: That one hour we are having today.

Shri A. P. Jain (Tumkur): Let it be exclusive of the Minister's reply.

Mr. Speaker: Even if I extend it by another hour I cannot accommodate such a large number.

Shri M. L. Dwivedi (Hamirpur): Let it be two hours more.

Mr. Speaker: Then too, if I give ten minutes to each hon. Member it means that I require three hours for 18 hon. Members whose names are here. Besides those 18, there would be others also who have not given their names, but are anxious to speak.

The Minister of Finance (Shri T. T. Krishnamachari): Cars are very interesting, and if I am a layman I would also like to speak.

Mr. Speaker: I would also like that hon. Members have a free expression of their views. What does the Minister say?

The Minister of Heavy Engineering in the Ministry of Industry and Supply (Shri T. N. Singh): I am unable to say anything. As has been the experience, it may not be possible for the House to continue after 5.00 because there may be lack of quorum. Therefore, my suggestion is that if possible we may finish this discussion today instead of dragging on this debate for more than two days. But I cannot advise you as to how you will manage such a large number of speakers. I do not want any hon. Member to be deprived of his say.

Shri A. P. Jain: It is not a question of two days. On the last day we had only two hours and today we are to have one hour.

Shri T. N. Singh: What I meant was that the discussin was spread over two days.

Mr. Speaker: Then it is my misfortune that I shall have to disappoint many.

Shri Hari Vishnu Kamath: Select some.

Mr. Speaker: That is the difficulty. If Shri Kamath could help me I would put him in the Chair.

Shri Hari Vishnu Kamath: Please spare me that.

Shri S. M. Banerjee (Kanpur): The Minister can reply toworrow.

Shri Joachim Alva (Kanara): Sir, I would suggest that we give two more hours.....

Mr. Speaker: All right. Shri Alva may speak now. But I would request hon. Members to condense their remarks in a shorter time than even ten minutes.

Shri Joachim Alva: Mr. Speaker, Sir, I would like to ask the hon. Minister, right at the outset, what was the Planning Commission doing in regard to the manufacture of cars, in regard to this high priority of industrial development, namely the manufacture and sale of cars. The hon. Minister was in charge of the transport section of the Planning Commission. What were the directives that he was pleased to issue? What were the instructions that he gave to the Ministry and however the plans drawn up and what were the priorities that were given?

Sir, we have three manufacturers who hold the country to ransom, who have almost blackmailed the country in regard to the prices of cars, in regard to the production of cars and in regard to the development of motor car industry. I have been into the automobile factories of the Soviet Union, China, Poland and Germany and the aircraft factories of Europe. I want to know whether these three motor car factories set up in India can be overnight made into war machines. We are on the eve of a great war with China. We have allowed these three companies in the private sector to blackmail us. They cannot produce aeroplanes. The Hindustan Aircraft Factory which was started for the manufacture of motor car was overnight turned into a great instrument of war. These three factories, at the behest of three capitalists or a group of capitalists, are robbing the profits of the companies, manipulating the losses, not pursuing good causes and playing shuttlecock with the peoples, money.

When the General Manager of the Hindustan Aircraft Factory put forward a proposal that he could produce a car for just Rs. 5,000,—many of us have sat in that car—when he has got a scheme by which the country can be divided into four parts and motor cars can be manufactured for Rs. 5,000; that proposal was torpedoed by these industrialists. Today the car is a toy of the rich man, it is the toy of the very rich class. It cannot be bought even by a person in the salary scale of Rs. 500 to 1,500. He has to go to Government, ask for a loan, take the money and then buy a car. It is beyond the reach of an ordinary man.

I will narrate a small incident here. Some years back, when our late Prime Minister was alive, I had a second-hand or third-hand Buick car for which I had paid only Rs. 3,000. I used it quite frequently and during the election campaign it was of tremendous use to me. When I invited the Prime Minister to travel in that car, he said "I could not travel in such a big car, because the people will say that 'you are a

[Shri Joachim Alva]

Congressman and you are travelling in such a big car'". And, mind you, it was a second hand or third hand car which would have been thrown away as junks in the United States. When the hon. Prime Minister of our country chose to travel in such a small car, the industrialists and Maharajas of this land want big Limousines, which we cannot afford, and they change their cars every six months. When our revered ex-Prime Minister, Shri Jawaharlal Nehru could travel in a small car, not because he could not afford big cars or big cars were not available but just to set an example to the common man of India, when he could say that he could not travel in a big car, why could our industrial friends not follow him? And remember that the car which is used here would be treated as scrap in America, because the second hand or third hand car for which here we pay Rs. 30,000 or 40,000 is a junk there.

We must take the production of cars from the hands of these three capitalists if they cannot tackle the problem of production of cheap cars. We must take it out of their hands and start producing them ourselves. Is the hon. Minister ready to do it? What did he do in the matter when he was in charge of the Transport Section in the Planning Commission? I want to know his views in the matter. It is no use tinkering with the problem. 17 years have passed and we have not produced a car which is within the reach of the common man which can be put on the road.

Only two years ago Rs. 20 crores were allotted to Mahindra and Mahindra as loan for the production of jeeps in thousands. The Chinese carried away 11,000 jeeps from NEFA. They were thieves and they carried them away, including the medicines and hospital equipment. We must produce jeeps which can be used by poor men in the country. Now they cost not less than Rs. 3,000 or 4,000.

Now the Birla Brothers do not want to leave out anything for other folks. Tatas do not want to leave out anything to anybody. All the capitalists of India are taking the same position. Unless the Government control them, they will not allow enterprises meant for the small people in the country. What is the result? The cars are left to take care of themselves and God has to take care of the nation. It is time that this Parliament, the sovereign Parliament, elected by the people of India, take things in their own hands.

China is a menace to the whole of South East Asia, including India. Mr. Mao Tse-tung can take the whole of South-East Asia by putting through six telephone calls. When that is the position, we are exposed to the rackets of these people. I am speaking with the whole moral fervour at my command. It is only the rich people that these capitalists are serving. They allow the profits to go on increasing within their coffers and scuttle the objects of our industrial policy. Here is a test for our social welfare aims. Unless the cars are meant and produced for the poor or common people, we have no future.

The total revenue collected by the Government of India in one form or another in 1964 on account of automobiles was Rs. 231 crores. Every time these companies increase their production targets, they increase their prices. Though their profits are increasing, they manipulate them; their losses alone are shown to the Company Law Department to bamboozle and fool them.

These are rackets which must be curbed. The enemy is within us, not outside. Do not be afraid of China; there is nothing to be afraid of China. But the enemy is within our soul, within our body politic and unless we curb this enemy, these dangerous elements inside our system, we cannot march forward nor can we defend our country. The saboteurs are inside

our economy, inside our industry, inside the progressive movement of the people and unless we go forward with a spirit of defiance against reaction, we cannot take our country forward nor can we leave a legacy for the future.

The sales income of nine companies manufacturing ancillary parts rose from Rs. 116.6 crores in 1962-63 to Rs. 122.6 crores in 1963-64. The manufacturers of ancillary parts want to export ancillary parts out of India. That is the situation. When we are producing ancillary parts into profusion, what is the difficulty the cars are faced with? One car is.....

Mr. Speaker: The hon. Member's time is up.

Shri Joachim Alva: Give me five minutes more, Sir.

Mr. Speaker: I cannot give. I will have to enforce strictly the ten minutes limit.

Shri Joachim Alva: I will finish now. There are three giant American companies.

Mr. Speaker: He looks either to his right or to his left but never to the front.

Shri Joachim Alva: I have looked at you all the time.

There are three giant companies in America. The budget of the General Motors alone is 50 per cent above that of the Government of India. They can buy us over. But we are an inventive race; but not a disciplined race yet. We can invent and manufacture every part of the car. We can put up any factory. We have put up the Hindustan Aircraft Factory and the Hindustan Machine Tools. Amul butter and Amul cheese are the best in the world. If we are able to take care of things from milk and butter right up to machines which go into the aircraft, are we not able to produce a car? But we are under the mighty pulverising influence of these capitalists. We have to cut this Gordian knot.

Rs. 25 crores worth of foreign exchange has recently been released to the automobile manufacturers for the import of capital equipment to enable them to expand production to 60,000 cars. China has produced only in one year 60,000 trucks with Russian aid about four or five years ago. They did not produce any cars for their ministers and their wives; they had to take to buses. But here I must have my limousine model changed every three months. My model must be the latest from General Motors. If that is the situation, we cannot improve the race.

Mr. Speaker: The hon. Member must conclude now.

Shri Joachim Alva: I am sorry, Sir, you are not allowing me. I am grateful to you but I must say.....

Mr. Speaker: Order, order. Shri Kashi Ram Gupta.

Shri Joachim Alva: Unless we produce a cent per cent car by our own efforts and a cheap one too, we cannot achieve anything.

Mr. Speaker: Shri Kashi Ram Gupta.

श्री काशीराम गुप्त (अलवर) : अध्यक्ष महोदय, पिछली बार भी बहुत से माननीय सदस्यों ने इस विषय पर अपने विचार प्रकट किये थे और मैं समझता हूं कि मैं अपने विचार प्रकट करके बहुत से माननीय सदस्यों को निराश करूंगा। एक तरफ तो हम योजनाबद्ध विकास में विश्वास करते हैं और उस में प्राथमिकताओं को रखते हैं और दूसरी तरफ हम सस्ती कार चाहते हैं। जो लोग इस का दावा करते हर वक्त यह दलील देते हैं कि उनके ख्याल से एक हजार रुपये से अधिक किसी की आमदनी न हो उनको तो कार की मांग करने का सवाल ही पैदा नहीं होता है, उनके केस में कार का तो प्रश्न ही नहीं पैदा होता है।

[श्री काशी राम गुप्त]

इस देश में एक हजार रुपया पाने वाले आदमी कार रख ही नहीं सकते हैं। अब प्रश्न उनका रह जाता है जो इससे अधिक पाते हैं या पार्लियामैंट के जो मैम्बर हैं और जो जनता में बड़ा प्रभाव रखते हैं और जनता से चन्दा ला कर खर्चे को चलाते हैं। वे कार रखने की सामर्थ्य रख सकते हैं दूसरे नहीं रख सकते हैं।

अब रहा यह सवाल कि किन लोगों के लिए इन कारों की आवश्यकता है? कौन हैं वे लोग जो कार रखना चाहते हैं? मैं समझता हूं कि यदि हम को सस्ती कार बनानी है तो वह बहुत बड़ी तादाद में बनानी होगी और उस में जो पैट्रोल आदि का खर्चा होगा, उसका अंदाजा लगाना होगा और उसको लगाने के बाद जो उसकी खपत होगी उसके लिहाज से फारेन एक्सचेंज का अंदाजा लगाना होगा और उसका प्रबन्ध करना होगा। जब इन सब बातों को हम देखते हैं तो मुझे याद आता है वह ब्यान जो यहां पर भूतपूर्व मंत्री महोदय ने दिया था कि उन्होंने क्यों इस कार के विचार को छोड़ा है। उन्होंने बहुत महत्व की बात कही थी। किन्तु इसका तात्पर्य यह नहीं है कि आज जो दशा चल रही है वह चलती रहे। आज हालत यह है कि तीन कम्पनियां कारें बना रही हैं और पैसे भी वे खूब ले रही हैं। हो सकता है कि सरकार की दृष्टि से उनका मुनाफा कम हो जिस के बारे में मैं आगे कहूंगा। किन्तु जितना पैसा उनको दिया जा रहा है, उसके मुताबिक जो माल वे बना कर देती हैं वह निहायत घटिया दर्जे का होता है। इसलिए सब को यह शिकायत है कि कार बहुत घटिया किस्म की होती है। जब भी देश में कोई कारों का तथा इनके दामों का सवाल करता है तो वह यही कहता है कि विदेशी कार अगर वह इससे आधी कीमत की भी हो तो ज्यादा अच्छी होती है, लेकिन यह उतनी अच्छी नहीं होती है। यह जो विचार फैला हुआ है या तो इसका निवारण होना चाहिये या फिर कम्पनियों को ठीक करवाया जाना चाहिये, सरकार को इन कारों की क्वालिटी को अच्छी करवाना चाहिये अन्यथा सरकार को इन कम्पनियों को अपने हाथ में ले लेना चाहिये। उस अवस्था में कम्पनियों की कोई जवाबदारी नहीं रह जाएगी और सरकार की सीधी जवाददेही हो जाएगी।

वर्तमान में कारों में ब्लैकमार्किट चल रहा है। यह क्यों है, इसको भी देखा जाना चाहिये। यह इस कारण से है कि जितनी देश में कारों की मांग है उस अनुपात में कारों का निर्माण नहीं हो रहा है, कारें नहीं बन रही हैं या उतनी तादाद में हम तैयार होने नहीं देते हैं। सरकार कह देती है कि हमें विदेशी मुद्रा नहीं मिलती है, इस वास्ते कम्पनियों की उत्पादन क्षमता को बढ़ाया नहीं जा सकता है। उस अवस्था में सरकार का फर्ज है इसके बारे में फैसला करना और इस सदन को बतलाना कि वह किस तरह से इस ब्लैकमार्किट को रोकना चाहती है। क्यों वह जानबूझकर इस ब्लैकमार्किट को चला रही है। जब बीस हजार कारें बनती हैं और चालीस हजार कारों की मांग है और लोगों की क्रय-शक्ति इतनी है कि वे कारें खरीद सकें तो फिर चालीस हजार कारें न बनने देने का क्या कारण है? क्यों नहीं चालीस हजार कारें बनने दी जाती हैं, क्यों नहीं इतनी कारें बनवाने का प्रबन्ध किया जाता है? अगर चालीस हजार बनने देंगे तो फिर यह प्रश्न पैदा होगा क्या इतनी और बनने दी जायें ताकि कार सस्ती हो जाए? मैं समझता हूं कि पहला काम यह होना चाहिये कि वर्तमान में जो ब्लैकमार्किट कारों में चल रहा है यह खत्म हो। यह तभी खत्म हो सकता है जब कि आज जो मांग है उसको पूरा किया जाए। अगर यह नहीं किया जाता है तो फिर सख्ती से काम लें और यह फैसला कर दें कि किन को कार की आवश्यक ता है और किन को नहीं है? इसका विश्लेषण कर दें कि ऐसे लोगों की कार की आवश्यकतायें

पूरी की जायें, ऐसों को नहीं की जायें, प्रोफेशनल्ज की आवश्यकतायें पूरी की जायेंगी, जन सेवकों की की जायेंगी या किन्हीं और लागों की की जायेगी । आज हालत यह है कि कोई भी आदमी दो हजार रुपये अगर बैंक में जमा करा देता है और बैंक उसके लिए गारन्टी दे देता है तो उसको कार मिल जाएगी । कोई यह देखने वाला नहीं है कि उस कार का इस्तेमाल किस तरह से वह करेगा । यही कारण है कि ब्लैकमार्किट बढ़ती जा रही है ।

हमको इस सम्बन्ध में यह सोचना चाहिये कि किस तरह से यह जो कारों की समस्या है यह हल हो । हमको न केवल यह ध्यान में रखना है कि एक बार कारों का मसला आया था और सस्ती कार बनाने की बात सरकार ने उठाई थी, इसलिए हम को बराबर सस्ती कार बनाने पर जोर देना है बल्कि इसके लिए पूरी जांच भी करनी होगी और अगले पांच वर्षों में, चौथी पंचवर्षीय योजना में यह भी फैसला करना होगा कि सस्ती कार की बात प्राथमिकताओं में आती है या नहीं । अगर यह सस्ती कार प्राथमिकताओं में आती है तो इसको अवश्य बनाया जाना चाहिये और अगर नहीं आती है तो हमारे मंत्री महोदय जो स्वयं प्लानिंग कमिशन के मैम्बर रह चुके हैं, इसलिए वह इसको अच्छी तरह से जानते होंगे और उनको यह बात साफ तौर से सदन को बतलानी चाहिये । उनको बतलाना चाहिये कि अगर यह योजना में आती है तो इसको बनाने में क्या क्या रुकावटें हैं और उनको किस तरह से दूर वह करेंगे । वे रुकावटें तब अवश्य दूर होनी चाहियें । अगर नहीं आती है तो इसकी भी स्पष्ट घोषणा उनको करनी चाहिये और सरकार की नीति को स्पष्ट तौर से बतलाना चाहिये । उनको यह भी बतलाना चाहिये कि प्राथमिकता के आधार पर किस प्रकार की कार अगले पांच वर्षों में बनेगी, किस तादाद में बनेगी और जहां तक इन तीन कम्पनियों का सम्बन्ध है, इनके बारे में भी कोई फैसला अन्तिम रूप से हो जाना चाहिये । मैं नहीं समझता हूं कि कोई पसन्द करेगा कि रोजाना उनके ऊपर उंगली उठती रहे । सरकार को उनको अपने हाथ में ले लेना चाहिये जिससे यह प्रश्न ही न रहे कि वे बड़ा मुनाफा कमा रही हैं । सरकार स्वयं कहती है कि वह उनके मुनाफे को कंट्रोल करती है अधिक मुनाफा नहीं होने देती है । लेकिन जब अधिक कीमत की बात होती है तो इसका मतलब यह है कि सरकार जानबूझ कर या तो गलती कर रही है या फिर वह गलतफहमी में है या फिर सरकार को बहकाया जा रहा है । इस स्थिति को चलते रहने देने से तथा इसकी चर्चा सदन में चलाते रहने से समस्या हल नहीं हो सकती है । इसको अगर आपको हल करना है तो कुछ काम करने होंगे । पहली बात तो यह है कि जो कीमत ली जा रही है उस कीमत में जो इतनी रद्दी कार दी जा रही है, यह कैसे ठीक हो, इसका उपाय करना होगा : दूसरा निर्णय हम को यह लेना होगा कि किस तादाद में कारें बनें अगले दो तीन बरसों में और अगली पंचवर्षीय योजना में उसका क्या स्वरूप हो । माननीय सदस्य इस सदन के तथा बाहर के लोग भी जो जानते हों कि किस तरह से सस्ती कार बन सकती है और उसका स्वरूप क्या हो उनको अपने सुझाव देने चाहिये । सरकार को विदेशी मुद्रा के सवाल को, पैट्रोल आदि की जो खपत बढ़ेगी, उसका असर क्या पड़ेगा, उसको तथा जो प्राथमिकतायें हैं, उनको ध्यान में रखते हुए ठंडे दिमाग से विचार करना चाहिये । अगर ऐसा किया गया तो मैं समझता हूं कि अगले पांच वर्षों में जो रूप इसका होगा वह कुछ भिन्न होगा । उसका रूप यह होना चाहिये कि क्वालिटी ठीक हो और उसके बाद दामों को देख कर कारों का उत्पादन बढ़े ।

Shri P. R. Patel (Patan): Mr. Speaker, Sir, I would not be sentimental and take the support of slogans. Let us see the facts and value the things. If by abusing some manufacturers or calling them racketeers or

[Shri P. R. Patel]

musketeers we can get cheap cars, well, I think I will be very happy. But the fact is otherwise. If we look at page 476 of the Third Year Plan, we find that our target in respect of passenger cars was 30,000 and that in respect of jeeps and station wagons was 10,000.

An hon. Member: What is the achievement?

Shri P. R. Patel: After setting out the targets, what does that plan say? It says:

> "Investment designed to inrease the indigenous content has to take precedence over investment in establishing new units or expanding existing capacity.".

Then it has been stated that Rs. 40 crores exchange has to be given on capital account and Rs. 175 crores on maintenance account. I would ask the hon. Minister whether these exchange facilities have been given, and if not, the reasons therefor.

I know that the present production of cars is 23,000. So, we are deficit by 7,000 in relation to the target. The capacity of these companies, if they could be given certain facilities, is to produce 40,000 cars. I would like to know why this capacity is not utilise.

Then, it is said that these companies are making huge profits. Every company and every individual wants to make profit, and is for profit, but no company should be allowed to make more than a reasonable profit. I would point out that the price of cars was fixed by Government in 1957. The Tariff Commission is also there, and they had gone into the matter and it was decided that whatever additions in the prices could be made would be on account of the taxes. After 1957, however, certain changes have taken place. Firstly, the manufacturers are required to get certain ancillary parts from outside, that is, the indigenous parts. The prices of these indigenous parts have increase in certain cases by 100 or 200 per cent. Irrespective of whether the prices of these indigenous ancillary parts has gone high or not, irrespective of the fact whether the wages have gone high, or not or the dearness allowance has gone up or not, if we still say that there is an increase, is to right to make such statement? After all, what is the increase which has taken place during these five or six years? Despite increases in other items, the increase in the prices of the cars is only because of taxes and nothing more. So, how can we charge these manufacturers with the accusation that they are making huge money?

Then, I would like to refer to the report of the Jha Committee on the automobile industry, of 1960. That report says:

> "We consider it legitimate that the price fixation policy should be such as to enable a reasonable return to be made to the investor in the automobile industry provided the unit works efficiently and economically. It is an industry which does need a large investment to be economic and successful and as the less important industries are making good profits the investment in the automobile industry deserves some incentives."

I would request Government to lay the latest report of the Costs Accounts Officer on the Table of the House so that we may know what that report has to say. Let us be fair to the manufacturers. If they are facing some difficulties, let us try to solve them. At the same time, if they are making more profits, let the matter be referred to the Tariff Commission. But what is the sense in maligning these manufacturers and talking of some new cars?

Shri Kashi Ram Gupta: What about the quality?

Shri P R. Patel: If they are found to be deficient in the matter of quality, it is for the Government to ask the manufaturers to improve the quality, I would not come in the way.

Shri M. L. Dwivedi: Why should the manufacturers not see to it?

Shri P. R. Patel: I am not able to understand this talk that we must have a people's car. In fact, I would be very happy if the poor farmer could get a car and have a ride in it. But then to call it a people's car, I would submit, is a misuse of the term 'people'.

Shri M. L. Dwivedi: The farmer sells his produce at low prices, while the cars are sold at high prices.

Shri P. R. Patel: Who are the people who can have these cars? It is only those who can spend about Rs. 2000 on the maintenance of the car. Only those who have an income of not less than Rs. 10,000 or Rs. 12,000 would be able to have these cars. How many of us in the country have an income of more than Rs. 10,000 a year? So, how can it be called a people's car?

My hon. friends are talking all the time of having a cheap car. But what about cheap tractors, cheap ploughs, and cheap fertilisers? Nobody talks about them. Everybody wants to approach the upper middle class only. They want to win the affection and sentiments of the upper middle class and so they are talking of cheap car. Otherwise, cheap car has nothing to do with the poor people or the common people of the country.

I would point out one other thing. When the Planning Commission fixed the target and also the investment, the hon. Minister who is now in charge of this Department was himself in the Planning Commission. I want to know from him whether he has fulfilled the responsibility of Government in giving certain facilities or whether we are deficit with rgeard to that, and if so what are the reasons. In 1962, Government was at the point of giving assistance to this industry to produce more, but the emergency came and it was not given.

Looking to the facts as they are, if you only abuse the manufacturers, abuse the capitalists because they are capitalists, it is not proper. Let a commission be constituted to inquire into the whole thing, whether these companies have gained anything or made a profit, if so, what profit, by producing Fiat, Ambassador and Standard, leaving other things they produce. I would as the Minister to do this. They are not able to give dividends.

Shri M. L. Dwivedi: They should abandon manufacture.

Shri P. R. Patel: It is very easy to say because you are not a capitalist, you have not invested any money.

Shri Bhagwat Jha Azad (Bhagalpur): You are?

Shri P. R. Patel: I am more concerned with the industry of the country?

Some people want cheap popularity. They do that by calling themselves socialists and abusing the capitalists. If that popularity is to be gained at the cost of the industry of the country and prosperity of the country, let them be happy.

Shri Alvares (Panjim): The issue of the small car project is one that has been turn out of its context and there have been accusations and counter-lobbying. Bt if it is looked at from its essentials, I am sure we shall be able to discuss it dispassionately and arrive at and understanding as to whether the small car project is a viable proposition or not.

The small car project was meant to provide cheap mobility for a section of our community that was marginally

[Shri Alvares]

able to afford it. I use the words 'marginally able' for this reason, that I am not talking of those people who go in for the more expensive cars, but there is a range of income groups which I am going to prove are sufficiently large, to justify the setting up of a project to manufacture this small car. It is also not a question of competition, as Dr. Lohia put it, between trucks and buses for the common man between the three models being produced in the country and the small car project. All these three serve their respective spheres and they are vital in their own spheres. There is certainly no competition between trucks and buses. They can be produed to any quantity as long as the economy gives them the opportunity to do so.

It may be argued that there would be competition between the three models produced in the country and the small car project. But if one looks at the market, if one scrutinises the price range of these cars, Standard, Fiat and Ambassador, if one looks at the market prices ruling today, the seller's market prices, one will understand that there is a wide range of prospective buyers who want to buy this car but do not get the opportunity to do so. At the same time, there are a vast number of people who have to do without this car. From the statistics I have culled out from the Economic Survey presented at the time of the last budget, I find that in the fixed salary income groups in the range Rs. 20,000—25,000 there are 7,500 tax payers. If we can estimate what is the total number of those in this salary range all over India in the private sector, I think we shall have come across a phenomenal figure of a section of our community who are not able to buy these three models at the present moment because of income-tax and other circumstances, but who will surely be able to buy a small car which will serve their needs. Therefore the question of providing cars is not a question of competing either with the three models or with the trucks and buses. If the economy can afford it, it should be produced. I am a believer in an expanding economy, not a restrictive one, and if there is a range of economic operations which will be accelerated by the setting up of a small car project with its ancillary industries, I think the project will be well justified.

The question of the small car project is one where Government indecision and procrastination has almost killed it. The L. K. Jha report and the Pandey report—the second one has not seen the light of day—have made certain recommendations. But what curious arguments they use in opposing the small car project! They had three considerations, they say. Firstly, the Indian weather is not suitable for a small car. It is a fantastic argument. Then they say that the size of the Indian family is so big that they will not be able to squeeze themselves in a small car. And the third argument is that the roads in India are bad. I think that any committee charged with the serious task of examining such a project should not indulge in such hilarious suggestions, and therefore, the small car should be considered on its own merits.

In the present circumstances, faced as we are with foreign exchange difficulties, is it justifiable that so much money should be spared for the small car project, or that this section of the community should be provided for? This is surely a point for consideration. But, in our present economic set-up we cater to all economic ranges. We cater, in textiles, from the ordinary khadi or the cotton drill to the most fantastic silks and other things. In the scheme of housing also, we have wide ranges to accommodate all sections of our community. In other consumer goods also, there is a range that caters to the very poor and to the very rich. Therefore, I do not see any reason why, if there is a range

in our community who are able to afford a small car, we should not provide for it, for, essentially it means that we are generating economic activity in a section which will be perfectly viable.

Therefore, I think that this small car project should receive the serious consideration of Government. As the project develops, its ancillary requirements also will catch up. If the roads are inadequate, I am sure the roads will be built up. Shri Masani, I think, was the President of the Indian Road Transport Organisation, and he will bear me out that because of the pressure of road transport, road development had to catch up with it. I am sure that just as roads will catch with the number of small cars that are put on them, so also the size of the families will be such as to accommodate them within a small car. And as for the weather, that is also changing. So, I recommend that Government gives serious thought to the setting up of the small car project.

श्री म० ला० द्विवेदी : अध्यक्ष महोदय, इस अवसर पर मुझे एक कविता याद आ जाती है जो कि इस प्रकार है :—

"सिखाये पूत दरबार नहीं जाते"

मुझे आश्चर्य है कि हम में से कुछ लोग ऐसे हैं जो कि यहां के कार निर्माताओं के ठेकेदार बन कर हमारे बीच में आये हैं और वे यह भूल जाते हैं .....

Mr. Speaker: No motives should be attributed to any hon. Member. That is not fair.

श्री म० ला० द्विवेदी : मैं यह बात वापिस लेता हूं ।

श्री भागवत झा आजाद : बाहर से बहुत से लोग आये हैं उन को इन्होंने ठेकेदार कहा है, सदन वालों को नहीं कहा ।

अध्यक्ष महोदय : आजाद साहब, मैं ने यहां के समझा जो कि स्पीचज दे रहे हैं, उन की बात उन्होंने कही । माननीय सदस्य को ऐसा नहीं कहना चाहिए ।

श्री भागवत झा आजाद : वे यहां के लिए नहीं कह रहे हैं ।

श्री म० ला० द्विवेदी : मेरा कहना यह है कि बड़ी कारों की चर्चा यहां पर नहीं चलाई गई है बल्कि यह जो चर्चा उठायी गयी और आज फिर चल रही है यह डिस्कशन छोटी कार पर है लेकिन यहां पर कुछ लोगों द्वारा तर्क बड़ी कारों के निर्माण के सम्बन्ध में दिये गये हैं । इसलिए मैं चाहता हूं कि हमें छोटी कार के निर्माण के ऊपर ही बात करना चाहिए जिनकी कि देश को आवश्यकता है । छोटी कारों के निर्माण के लिए सरकार ने कई कमेटियां भी बनाई थीं । पांडे कमेटी ने भी यह सिफारिश की थी कि छोटी कार बनाई जायें और अन्य कमेटियों ने भी यह सिफारिश की थी कि देश में छोटी कारें बनाई जायें जिनकी कि उसे बहुत आवश्यकता है ।

यह तो जाहिर ही है कि देश की खाद्यान्न की समस्या पर ज्यादा जोर दिया जाना चाहिए, कार बनाने पर उतना नहीं । लेकिन जब मैं देखता हूं कि किसान का गल्ला अभी हमारी सरकार सस्ते गल्ले की दुकानों में 16 रुपये मन बेच रही है जिसका कि मतलब यह हुआ कि जो गल्ला अब से कुछ साल पहले तक रुपये का दस सेर मिला करता था अब वह रुपये का ढाई सेर मिलता है अर्थात् गल्ले के दाम तब की अपेक्षा अभी चार गुना अधिक बढ़ गये हैं तो अगर कार निर्माण का खर्च बढ़ भी गया है तो उस हिसाब से भी कार के दाम भी चार गुने से अधिक नहीं बढ़ने चाहिएं थे लेकिन वे तो आठ गुने और दस गुने तक बढ़े हुए हैं ।

अध्यक्ष महोदय, मैंने देखा है और आप ने भी यह देखा होगा कि सन् 1940 से पेश्तर 2500 रुपये में बढ़िया बड़ा फोर्ड कार और

[श्री म० ला० द्विवेदी]

बड़ी शैवरलैट कार मिलती थीं तो उस के हिसाब से बेचारे गुने से अधिक बढ़े हुए दामों पर नहीं मिलनी चाहिएं । उनके दाम दस हजार से नीचे ही रहने चाहिएं, 5000 या 6000 से ज्यादा नहीं होने चाहिएं लेकिन ऐसी बात है नहीं । दाम बढ़ने के लिए तर्क यह दिया जाता है कि साहब निर्माण का खर्च बढ़ गया है तो क्या वह सिर्फ यहीं ही बढ़ा है, अन्य देशों में क्या वह नहीं बढ़ा है जो ऐमबैसेडर और फिऐट कार हालांकि यह बड़ी कार नहीं हैं, छोटी कार हैं, लेकिन वह 16000 और 15000 में बिक रही हैं ? जर्मनी में इस से छोटी कारों में डी० के० डब्ल्यू० 900 से 1200 और आस्टिन 500 से 1000 रुपये तक है । इस के अलावा जर्मनी में इन हमारी कारों से बढ़िया कार केवल 4000 में मिलती है । जो पीपुल्स कार कहलाती है, जो जनता कार कहलाती है वह जर्मनी की बाक्स वैगन 4000 में इस वक्त वहां पर मिलती है और आस्ट्रेलिया में वही कार अपने यहां बनाना शुरू कर दिया है और वह 5000 रुपये में आस्ट्रेलिया में मिलती है । मैं वहां से होकर आया हूं । इसी तरह जापान की निशान कार 4000 में वहां पर मिलती है । दरअसल कार निर्माण की मोनोपली कुछ बड़ी बड़ी कम्पनियों के ही हाथ में है और वे सरकार से मनचाहा मूल्य मुकर्रर करवा लेते हैं क्योंकि उन कुछ उद्योगपतियों का सरकार और टैरिफ़ कमिशन सब जगह पर प्रभाव है और इन कार निर्माताओं के ठेकेदार वहां मौजूद रहते हैं जो कि मनचाहे दाम सरकार से मुकर्रर करवा लेते हैं । कार निर्माण पर खर्च अधिक आता है यह उनका तर्क हमारे गले के नीचे नहीं उतरता है जब हम देखते हैं कि हमारे देश के चारों तरफ जो अन्य देश है वहां पर ऐसी कारों का दाम 4000, और 5000 के और 6000 के बीच में है । इसलिए यह तर्क कि यहां के हमारे कार निर्माताओं को लागत ज्यादा बैठती है यह ठीक नहीं जंचता है । इसलिए मैं चाहता हूं कि सरकार उनका मूल्य निश्चित करते समय खूब सोच समझ कर फैसला करे और दुनिया के दूसरे देशों के कार निर्माण को ध्यान में रख कर उनके मूल्य निश्चित करे और इन कार निर्माताओं की बात न मानी जाय बल्कि जनता की बात मानी जाय ।

मैं सरकार को यकीन दिलाना चाहता हूं कि अगर यह उनकी मोनोपली तोड़ दी जाय और कार निर्माण के लिए छूट दे दी जाय तो प्राइवेट कम्पनी वाले 4000, 4000 की कार बेचेंगे और आपको ऐक्साइज भी देंगे लेकिन चूंकि आप इस तरह की कार निर्माण की सब को छूट नहीं देना चाहते हैं इसलिए यह सारा काम गड़बड़ चलता है ।

यह छोटी कार के निर्माण का पिछले कई सालों से क़िस्सा चल रहा है लेकिन मैं आपको बतलाऊं कि एक फ्रेंच कम्पनी रैनाल्ट ने छोटी कार बनाने के लिए औफर दिया और उसने कहा कि हम रुपये में पेमेंट देंगे, पूरा विदेशी विनिमय देंगे विदेश में बनायेंगे और हम 6000 में कार बना कर बेचेंगे लेकिन आप छूट नहीं देना चाहते हैं । इसी प्रकार से एक और कम्पनी छोटी कार के निर्माण के लिए तैयार थी लेकिन सरकार ने किसी की बात नहीं मानी । आखिर इस का क्या कारण है ? इसका कारण सीधा सादा यही है कि जिन लोगों को कारों का ठेका दिया गया है उनका असर सरकार पर पड़ता है । यही कारण है कि बिड़ला टाटा और डालमिया की कारें हम देखते हैं कि 16000, 16000 में बिकती हैं । ऐक्साइज ड्यूटी लगा कर ऐमबेसेडर कार 16000 में बिकती है और फिऐट कार 15000 में बिकती है । इसी तरीके से स्टन्डर्ड के दाम हैं । अब ऐमबैसेडर कार की हालत यह है कि वह महीने भर ठीक से नहीं चल पाती, खड़खड़ बोलती है, स्टीयरिंग बिगड़ जाता है, पत्तियां जो लगाते हैं वह घासलेट के टीन की पतली चादर की लगाते

है जो कि बहुत जल्दी खराब हो जाती है । जब इस तरह की कुछ उद्योगपतियों द्वारा लूट चल रही हो तो सरकार इन कारखानों को बन्द करने का निर्णय करे अथवा सरकार इनका नियन्त्रण स्वयं अपने हाथ में ले और अगर सरकार खुद कार निर्माण नहीं करना चाहती है तो प्राइवेट सैक्टर को छूट दे दी जाय ताकि जो भी कार बनाना चाहे, वह बना सके । ओपन कम्पटीटिव मार्केट में बिड़ला, टाटा आ जायं और अगर वह सस्ती कार बना कर नहीं दे सकते हैं तो वह बेचने के लिए न आयें और अपने कारखाने बंद कर दें ।

अभी जैसा कि श्री अल्वा कह रहे थे और मंत्री जी मुस्करा रहे थे और मेरी बात पर भी अभी वे मुस्करा रहे हैं, वे इस मामले को देखें क्योंकि वे तो जनता के आदमी हैं और मैं चाहूंगा कि वे उन बड़े बड़े लोगों के प्रभाव में न आकर सही निर्णय करें ।

यह भी देखना चाहिए कि जब इस देश में खाद्यान्नों के भाव चौगुने बढ़े हैं तो यह कारों के दाम आठ गुने और दस गुने क्यों हो गये ? इस बात पर उन्हें गम्भीरतापूर्वक विचार करना चाहिए । अगर वह कारों के मौजूदा दाम माकूल समझते हैं तो उसी हिसाब से किसानों की उपज के दाम भी बढ़ायें । अब बाजार में जब हम सब्जी खरीदने जाते हैं तो सब्जी वाला कहता है कि बिड़ला और टाटा तो अपनी अपनी कारें आठ गुनी और दस गुनी कीमत पर बेचें तो हम आलू अगर पहले चार आने सेर मिलता था उसे अगर सवा रुपये में बेचें तो क्या हर्ज है ? किसान या बनिया जिसने कि पहले गेहूं 12 रुपये और 14 रुपये मन बेचा है वही अगर अपने गेहूं को अब 32 रुपये मन बेचना चाहता है तो सरकार की तरफ से ऐलान होता है कि गल्ला सस्ता होगा लेकिन हमने देखा कि गेहूं के दाम 15 दिन के अन्दर बढ़ गये । वह 23 रुपये से बढ़ कर 32 रुपये प्रति मन हो गया । कोई रोक नहीं हो पाती है । कारण यह है कि हमारी सरकार में कुछ ऐसे लोग हैं जो कि नियन्त्रण लगाने में मजबूती से और सख्ती से कदम नहीं उठाते हैं और यही कारण है कि सब चीजों के दाम बढ़ते जा रहे हैं । इसलिए मेरी मंत्री जी से विनय है कि आप सख्ती से काम लीजिये, जनता की भावनाओं पर ध्यान दीजिये, वही जनता आपको चुन कर भेजती है । वह चाहती है कि कारों के दाम गिरें और यह जो बड़े बड़े मुनाफेखोर हैं उनकी बात मत सुनी जाय । पबलिक सैक्टर में हो चाहे वह प्राइवेट सैक्टर में हो मोनोपली को बंद किया जाये । अगर सरकार इस तरह से एक सख्ती और निश्चय के साथ इस मामले को चलायेगी तो मुझे विश्वास है कि कारें ठीक और उचित व सस्ते मूल्य पर बन सकेंगी और जनता उनका स्वागत करेगी । इन शब्दों के साथ, अध्यक्ष महोदय, मैं आप को धन्यवाद देता हूं जो आप ने मुझे बोलने का समय दिया ।

Shri N. Dandeker (Gonda): Mr. Speaker, Sir, I must confess that for once I support the hon. Member who spoke earlier in regard to his desire that the car industry should be thrown open to competitive forces in this country because we in the Swatantra party so firmly believe in the benefits of competition. So, I am glad to hear that my hon. friend over there is equally supporting full competition and free economy, because only in that way will you eventually get low prices and good quality for the goods that the consumers desire. (*Interruption*).

Mr. Speaker: Order, order. Let him go on in his own way.

Shri N. Dandeker: If we have to achieve our objectives in regard to motor cars we have got to get down to the facts of life. The facts of life, first of all, in regard to the existing cars can be grouped under two headings: firstly what is the position quan-

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titatively? And, next, what is the position price-wise?

Quantitatively, the facts are very brief and very simple. The Third Plan target for the cars that are being manufactured now is 30,000 per annum. The present installed capacity, on double-shift working, is 40,000 per annum. I do not think there would be any reason to quarrel with these figures. The actual production, as against the 40,000 double-shift installed capacity, is today running at something like 23,000 to 24,000 cars per annum, but it is expected that in about six months' time, when the manufacturers have made arrangements for making 90 per cent of the components in this country,—by about the middle of next year,—the production will be running at approximately 30,000 per annum which again should be satisfactory, purely number-wise, because that is the target that is put down in the Third Five Year Plan. That is the position as regards numbers.

But even here the question that does arise is this. Although the industry has got, on double-shift working, the capacity to produce 40,000 cars, why is it that the industry is, unfortunately, today producing only at the rate of about 23,000 per annum or, at the most, next year it will produce at the rate of 30,000 per annum? That, obviously for anyone who knowes anything about the industry, is wasteful utilisation of the installed capacity. The facts are again quite simple as regards that situation. In the first place, quite properly—I am not here in anyway blaming the Government—they have been pressurising the manufaceturers to have more and more indigenous components and parts. The target now is 90 per cent. indigenous component parts. That, obviously, is going to take sometime before the indigenous industry that is outside these three units, as well as the production of indigenous parts within these three units, can catch up with the requirements. But the major fact is not only the difficulties in the supply of indigenous components but also, in particular, difficulties in regard to foreign exchange for those components which have still to be imported. These, Sir, are the facts. Again, in this particular context, I am not blaming anybody. The foreign exchange situation, as is well known, is very confused.

Shri Harish Chandra Mathur (Jalore): Why is it that importing of components...

Mr. Speaker: Order, order. Let him proceed.

Shri N. Dandeker: I am trying to give the answer. The position today is this. As a matter of fact, the foreign exchange situation is so difficult that now the Government,—I assume for right reasons,—are thinking of imposing further cuts of something like 0 to 12-1/2 per centof the foreign exchange allotted to this industry.

I assert that that is the factual position even though unfortunately many of us here may not like to face these facts of life that the industry has to contend with. Along with this, there has occurred during the last couple of years, shortly after the Chinese war,—again quite understandably,—a considerable spurt in the demand for motor cars by various public authorities; those, in particular, connected directly or indirectly with the growth of the defence forces, with the growth of defence production, with the growth of defence organisatin and all that goes with it. Consequently, the present position is, on the one hand, we have the capacity, and on the other, we are unable to produce to full capacity for the reasons I have already stated: and,—if one had a third hand,—on the third, there is this fact that the demand for cars, particularly by public authorities in recent years has increased very considerably and quite rightly;—again I am not blaming anybody and I am

merely stating the facts. That being the case, there remains a tremendous volume of unsatisfied demand.

The next question would be about price. A good deal has been talked, quite loosely, about the prices of these cars made in India.

In this connection, the first proposition that, I think, the House ought to appreciate is that today there is included in the price of every car a tremendous load of imposts of one kind or another, from one government authority or another. There is such a thing, for instance, as import duty and surcharges on import duty on imported components, excise duty and surcharges on excise duty on locally produced components or raw mateials, there is also sales tax on those components and raw materials; then there is excise duty on the built-up product and there is, also sales tax on the built-up product. The various types of cars now produced in this country bear a load of something between Rs. 4,000 to Rs. 5,000 per car for these imposts, and I do not know how anybody is going to produce any other car more cheaply, either this car or that car. It is quite impossible to sell any car at Rs 5,000 because, quite obiously, what they are suggesting is the absurd proposition that a car can be sold only for the customs duties, excise duties and other imposts levied by the Government. Moreover, I find on a comparison of the Indian car prices exclusive of these imposts, that the position is that the Indian costs only about 12½ per cent more than the cost of the corresponding car ex-works in the countries from which these models have been taken manufacture like, for instance, the Standard's—U.K. price, the Ambassador's—U.K. price, and Fiat's—Italian price.

So much about the price question though I would like to add one more comment. Apart from these imposts there are, after all, such things as that the production cost varies with the scale of operations; it varies also with the differential between the actual production and installed capacity, because then you get a heavy load of unabsorbed overheads, then you have inherent marginal inefficiencies and things like that, when we are embarking upon production of cars only over the last fifteen years compared with no production of cars pre-war.

Finally, on this question of price, I do not know whether hon. Members are aware that since 1957 the prices of cars are controlled. On several occasions the controlled price has been gone into. As I understand it, the only increase allowed over the controlled price fixed in 1957 or 1958 have been for the changes in these government imposts, no allowance being made for the rise in manufacturing costs that has taken place over the years with which we are all familiar.

Sir, I would like to devote my remaining four minutes to the question of small cars.

Mr. Speaker: Three minutes.

Shri N. Dandeker: Sir, I am as anxious as anybody else that the availability of cars, availability of cheap cars, cars that can run on the Indian roads, and not just cars that can run in Delhi or in Bombay or in Lucknow where you have first-class macadam roads, should be there. I am with everyone on the proposition that we should have, if possible, a small car. But wishing for things is one thing, and realities of life are another. The facts of the case are these. The Jha Committee Report, to which so many hon. Members have referred but which very few have apparently read, has gone into this question with great thoroughness. They have sounded all kinds of notes of warning. I do not want to go into the details of the question of making this, that or another model of small car. The point is, they have said that with the best estimate they could make then, it was possible that, perhaps, a small car of the kind that was then

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envisaged might possibly be produced at Rs. 6,000 or Rs. 6,500 exclusive of these government taxes, the taxes and imposts that I have referred to earlier. They said, however, that this question could not be considered in a vaccum, that is to say, by merely asking, shall we or shall we not have a small car? As if all the other problems hanging over head were already completely resolved, and, as if, the moment you say that you want a small car, it will be done. The economic size of a plant for small car. I imagine, is something like Rs. 50,000 units or at least 30,000; nothing less than that. What would be the foreign exchange required and what would be the technical personnel required? Have we got a surplus of all these? Have we got a surplus of foreign exchange? Have we got a surplus in terms of rupee resources? Have we got a surplus of technical manpower? Having regard to the fact that we must have very considerable regard to priorities in these matters as in all other matters, is it going to benefit the country to divert to the small car project whatever little scrapings we have out of our foreign exchange resources, whatever we can get of our capital market, whatever we can get by way of technical, managerial and other meanpower? Or should we not put them to use in the existing industry, so that that industry may produce to capacity? Let us first get the benefits of scale operations out of existing installed capacity. Then only can the next question arise about a new small car project.

I shall conclude by saying there was a very sensible remark made by Dr. Lohia in this connection. He said that even supposing, in this particular case, we were able to spare all the foreign exchange required for an independent project for producing a small car, would it not be worthwhile putting that money into increasing manufacture of commercial vehicles for the economic growth of this country? More particularly, he had in mind in this way to have more buses on the road, so that the real common man might travel about freely, and not first a few of us trotting around in cars.

Shri P. C. Borooah (Sibsagar): Mr. Speaker, Sir, I am greateful to you for giving me an opportunity to take part in this debate. Shri Daneker has already said many things that I wanted to say. Ours is a country in which we are dedicated to build a Socialist Society in a welfare State. In a welfare State the common man must be brought to the forefront and the actions of the Government must be in that direction. It is no doubt true that in this country the car is used only by a few people. The other day Dr. Lohia said that the production of cars should be stopped to give way to the production of buses and trucks. I do not want to go to that extent. But I say that along with the manufacture of car, let there be proportionate increase in the manufacture of buses, autorickshaws and scooters. The overall production should be evenly distributed so that the common man can also get the benefit.

So far as the manufacture of cars in the country is concerned, what are the difficulties or handicaps? The discontent or rather anger or criticism have been on three points, namely, non-availability, high prices and inferior quality. These are the three aspects. It is not as if we are producing less cars now than we did in the past. But we must remember that we are 450 million people living in the days of speed and more speed—and our is a growing economy. So, naturally, there will be increasing requirements which we cannot meet. Therefore intending buyers will have to stand in queues for years to come. That is obvious.

What is the solution? The solution is increased produotion. How can we

increase production? There are two alternatives—either have more units or expand the existing units. The Planning Commission have decided in principle that, as far as possible, there should be expansion of the existing units rather than the setting up of new units, because new units will require a lot of foreign exchange. When we have already foreign exchange difficulties, it is not advisable to fritter away our limited resources in establishing new units.

Therefore, the only alternative is to expand the existing units. There are three units producing cars and their initial capacity was 40,000 cars. The target for the Fourth Plan is 50,000 cars. So, the production of 10,000 more cars will not be difficult by expansion of the existing units, without investing too much of additional foreign exchange. So, this is a practical solution.

We had already made a mistake previously. There ought not to have been three units; there should have been only one unit and that too in the public sector. It should have been a big unit equipped with automation and like things to produce good cars at cheaper cost. That opportunity has gone. The work has gone to the three units and we cannot go back on it. Instead of allowing the spare capacity of the three units to be idle, we should give them help so that they can produce 50,000 cars a year. In this way we can solve the problem of availability of cars.

As regards high prices, in the 1930s cars were available for Rs. 2,000; in 1958 for about Rs. 10,000 and now for about Rs. 16,000. Everybody has said that the price of car at Rs. 16,000 is very high, but actually, the cost minus the the taxes is Rs. 11,000 to Rs. 12,000. If a comparison is made with foreign car, the difference will be found to be not high. With the Morris of the UK, the difference is only Rs. 1,700 in the case of Ambassador and only Rs. 300 to Rs. 400 in the case of Fiat. What is responsible for this difference? Is our compelling the producers to purchase at high cost the steel produced in India as well as the components produced in India. That is why the difference is Rs. 1,700; otherwise, there is no difference. Many things are said here but can anybody say that the Morris car is available for less than Rs. 14,000 which, of course comes to Rs. 9,000, minus the taxes. So in comparison, there is not so much of difference in price of our cars with foreign ones.

About the quality the less said the better. In the very first month of purchasing a car the steering wheel begins to give sound. In the third month of purchasing the car, all the parts start giving sound except the horn. In the first year of purchase, the garage bills extend to several thousand rupees. That is really very unfortunate. I made an enquiry. I went to the agent of a producer and wanted to know why the cars are so bad. We said that the producers have been making extensive use of sub-standard components of Indian make and they have no alternative but to purchase because of Government Compulsion. In the Ambassador cars the Indian component is of the order of 82 per cent. At the same time, the prices are also high. Government to encourage small industries is having no price control or quality control on their produce. It is high time that it is done and if that is done, I do not see why we should not have quality components. The use of quality components will naturally improve the quality and standard of our cars.

Lastly, along with the manufacture of cars, I again say that there should be proportionate increased production of scooters, auto-rickshaws and buses

[Shri P. C. Borooah]

so that people of all standards can enjoy or have vehicular advantage.

Shri U. M. Trivedi (Mandsaur): Mr. Speaker, Sir, the problem before us relates mostly to the price at which the small car is available for sale. That is one thing which strikes us the most. We have never been able to understand as to why when labour in India, man to man, is cheaper than anywhere else in any other part of the world, the price of small cars, car to car, is higher in India than anywhere else in the world. In Malaysia, Volkswagen car is available for sale for 3,900 dollars, that is, Rs. 6,000. It is easily available in Germany for only Rs. 4,000. Its engine is available for exchange only for Rs. 700. If Volkswagen can be available at that price, I cannot understand why a small car of the kind of Fiat or Ambassador should cost us Rs. 12,000 and Rs. 15,000 respectively. I never understand this part of the economics. The imposts may be there. The labour is there. Why should our labour cost more than the labour there? Why should the cost of production be more than the cost of production there? The taxation is at all places. I do not understand the method of dealing that we have in India.

17 hrs.

We are always talking of foreign exchange. We have never calculated another method, that is, without spending foreign exchange, can we not have import of cars, can we not have cheaper cars and can we not save some money out of these cars? Why should we go in just to help capitalists becoming richer and richer? The thing that is going on and that has become visible even today to any observer, in a cursory manner, is that we are being exploited and we are being exploited because of monopolistic trade. If this monopoly goes, we will be happier in the market. Whether the monopoly is with the Government or with the big capitalist, both work in the same manner and they have got this satisfaction, "I must make the hay while the sun shines." He will go on increasing the price. One feels very jealous about this. When this Volkswagen car is available at so much price at so many other places in the world, why is it not available to us? I remember an instance when a Volkswagen car was brought from across Africa into India as a present to the friend of mine here. That was not allowed to be kept even after it was presented. What type of foreign exchange was involved in it? What is this nonsense about this foreign exchange? I have not understood it. It was brought here, it was presented...

Shri R. S. Pandey (Guna): Then everybody will present everybody with a car.

Shri U. M. Trivedi: To you, not to me. Don't worry.

Shri R. S. Pandey: I will present it to you if someone presents it to me.

Shri U. M. Trivedi: It will not come to me, Mr. Pandey. What I am telling is....

Mr. Speaker: Let that remain with the Speaker. Don't fight on that.

Shri U. M. Trivedi: If there are so many people who want to make presents to all Indians, let them make it. Even then, there will be no harm in that. But I do not believe any such story which appears on the face of it to be absurd.

Sir, the position of the manufacture of cars has been calling the attention of not only this House but also of the whole country for a number of years now. A big joke came to my notice recently. One medical officer, a very senior man, a very busy consultant, a very famous physician in Ahmedabad, applied for a Fiat car because his old car had gone very very old. He wanted a change of the car and he applied for a Fiat car.

He received a letter from the dealers saying, "Sir, your name has been registered. You will get it only after 121 months." The figure of 121 months was a fine thing. I do not know why he did not multiply it by so many days and hours. He came to me and told me, "This is 121 months. That means I will have to wait for 10 years to get a car." It is this position which is ridiculous in our country. How long can we go on waiting for these rich people to shower cars upon our heads? Is there no other method? With all these big schemes that we are having, with all the heavy industries in which we are making progress, is it not possible to increase the production capacity of these cars at least with in one year or within six months? Are we at a stand-still that we shall always remain where we are and we will not move further? Every time we are having this explanation that the number has increased from 22,000 to 23,000. What is this 23,000 when the demand is for 50,000? Why this increase from 22,000 to 23,000? It passes my comprehension. Whenever a demand is made for something we find that it is in short supply. I have never understood why the public is always kept on tenterhooks, but unfortunately this is what is going on in our country, and that is what I am feeling.

I am not an economist. There are many economists and professors who can deliver lectures upon this subject. But I as a layman, as a man in the street, feel that there is something radically wrong with the administration and with its efficiency as a result of which we are unable to have cheaper cars, cheaper according to the ordinary methods of a common man in the street. A cheap car is what we want, and I would submit that let us have a cheaper car made in India, if we can; if not, let us have it imported and let the people have the imported one.

अध्यक्ष महोदय : श्री प्रकाशवीर शास्त्री कुछ प्रश्न पूछना चाहते हैं । वे अब पूछ सकते हैं ।

श्री प्रकाशवीर शास्त्री (बिजनौर) : अध्यक्ष महोदय, मेरे केवल दो प्रश्न हैं । मेरा पहला प्रश्न इस प्रकार है इस चर्चा के सम्बन्ध में जो यहां पर छोटी कारों के सम्बन्ध में हो रही है । यह तीनों कम्पनियां मिल कर साल में लगभग 23 या 24 हजार कारों का निर्माण करती हैं, और देश में जो खपत है, अथवा मांग है, वह 40 से ले कर 45 हजार कारों के बीच में है । मैं सम्बद्ध मंत्री महोदय से, जो कि इस समय हाउस में नहीं हैं, जानना चाहता हूं . . . . .

अध्यक्ष महोदय : 5 बजे उन की कैबिनेट मीटिंग थी इसलिये वे मुझ से पूछ कर चले गये हैं । चूंकि आप को समय देना था इस लिये इस चर्चा को इतना बढ़ा दिया गया है ।

श्री प्रकाशवीर शास्त्री : एक प्रश्न तो मैं यह पूछना चाहता हूं कि यह जो तीन कम्पनियां इस समय भारतवर्ष में चल रही हैं, क्या उन तीनों कम्पनियों की क्षमता इतनी है, अथवा नहीं है, कि वे 40, 45 हजार कारों का उत्पादन साल में कर सकें, अगर उन को आवश्यक सुविधायें मुहैया कर दी जायें । यदि आवश्यक सुविधायें मुहैया कर देने पर यह तीनों फैक्ट्रियां 40, 45 हजार कारें तैयार कर सकतीं हैं, जो कि देश की आवश्यकता है, तो सरकार को कौन सी विशेष कठिनाई आ रही है जिस के कारण यह आवश्यक सुविधायें नहीं प्रदान की जातीं ।

मेरा दूसरा प्रश्न यह है, जैसी कि कई सदस्यों ने यहां मांग की है, कि चूंकि यह तीनों कम्पनियां कारों की मांग पूरी करने में असमर्थ हैं इसलिये पब्लिक सेक्टर में कोई कारखाना स्थापित किया जाये, तो अगर पब्लिक सेक्टर में कोई ऐसा कारखाना स्थापित किया जाये जो प्रतिवर्ष 40 या 45 हजार कारें तैयार कर सके तो उस के लिये भारत सरकार को कितनी राशि निकालनी पड़ेगी । और वर्तमान परिस्थितियों को देखते हुए इस प्रकार की राशि

[श्री प्रकाशवीर शास्त्री]

हमारे बजट में से देना उचित भी है या नहीं। मेरे यही दो प्रश्न हैं।

अध्यक्ष महोदय : मैं श्री गांधी को भाषण देने की इजाजत तो नहीं दे सकता लेकिन अगर वे कुछ प्रश्न पूछना चाहें तो पूछ सकते हैं।

Shri V. B. Gandhi (Bombay Central South): I would like to make a speech.

Mr. Speaker: He can put a question or two. He cannot make any speech now. Would he like to put a question or two?

Shri V. B. Gandhi: I shall have to frame my questions.

Mr. Speaker: There is no time for that now.

Now, the debate is closed, and the hon. Minister would reply some time next week.

17.06 hrs.

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DEVELOPMENT OF HILL AREAS

Shri Hem Raj (Kangra): On the 1st December, 1964, I had tabled an unstarred question, namely Unstarred Question No. 745 which was replied to by the hon. Deputy Minister of Food and Agriculture. The question was:

> "Whether the working group of the Central Hill Development Committee has since submitted its report and if so, the broad features thereof?".

The answer given was that the submission of the report by the Working Group will take some time.

This reply of the hon. Deputy Minister was most indefinite, vague and unsatisfactory, judged from the point of view of the urgency of the problem.

17.07 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

In order to give a background of these hills, I may be permitted to give a brief description of these areas. The main chains in the hill areas in India are as follows; one is the Himalayan area which extends right from NEFA up to Ladakh border; then comes the Vindhya hills and then come the Nilgiris. No doubt, some of these hill regions were developed during the British time by the Britishers for their summer resorts etc. but nothing tangible was done for their amelioration or for the proper development of those regions.

After independence, some effort was made by Government, but it was not commensurate with the size of the problem that these hill areas posed. It was only after the Chinese aggression that this problem came to the fore and it was last year that the Central Government woke up and thought that there must be some integrated approach for the development of these areas in a coordinated way. Consequently, the Indian Council of Agricultural Research held a seminar in April at Simla. It was inaugurated by the then Minister of Food and Agriculture, Shri S. K. Patil, and was presided over by the then Minister of Agriculture, the dynamic Dr. Ram Subhag Singh. At that time, there was a message from the late Prime Minister. I may be permitted to quote it in extense as that will give you the magnitude of this problem:

> "I am glad to learn that the Indian Council of Agricultural Research have organised a seminar on Hill Development. It is very important for us to pay particular attention to the development of these areas. That importance has grown since

*Half-An-Hour Discussion.

Chinese aggression across our borders.

"In British times, these hill areas were neglected except for some hill stations and the like...

"It is desirable, however, that the question of the development of these areas should be thought of in an integrated way. Communications to open up these areas must have the first priority. Much has been done in this respect. Then comes the development of agriculture and the growth of small scale industries, including processing industries. These areas produce very fine fruits as well as vegetables such as are found in temporate climates. These would find a ready market in other parts of India. Then there is the great forest wealth which has to be protected and added to. Such planting of trees is necessary also to conserve the soil.

"The people living in our hill areas are stout and hard working and, given the opportunity, they will progress rapidly. That opportunity has to be given them now".

This was the urgency of the problem which prompted our late Prime Minister to send such an inspiring message to that seminar. After that seminar, a Central Hill Development Committee was formed here. It was inaugurated by the then Minister of Agriculture, Dr. Ram Subhag Singh..

Shri D. C. Sharma: (Gurdaspur): Dynamic.

Shri Hem Raj: You are a professor. If there is any mistake in what I say, you can correct it.

Shri D. C. Sharma: You used the word 'Dynamic'. I am using it again.

Shri Hem Raj: I was telling the House that the meeting was held in May, 1964. There certain decisions were taken. It was attended by different States, Assam, UP, Punjab, Himachal Pradesh, Jammu and Kashmir, Madras and some others. The first decision was that a working group should be formed which was to prepare a blueprint based on technical considerations for hill development during the next ten years. In that meeting, Shri Sreeman Narayan, Member, griculture, Planning Commission, was also present. While this recommendation was being made, he said that if the working group could prepare that blueprint before the end of December 1964, it could be considered by the Planning Commission for giving better financial allocation for the hill development plan.

Secondly, another decision was taken that that blueprint must be considered, before it was presented to the Planning Commission, by the Central Hill Development Advisory Committee, and that was to be done by the end of October.

Thirdly, it was decided that, in order to strengthen the organisation at the Centre, a special cell was to be created at the Centre of technical and secretarial staff, which was to see that there was proper implementation, that the blueprint was prepared. And for this purpose, an Additional Agricultural Commissioner was to be appointed by the Ministry itself at the Centre. He was to act as the convener of the working group which was to be set up here.

Then, it was also decided that, because the allocation for the development of the hill areas would require special financial outlay, this must be submitted to the Planning Commission, so that it might keep in mind the question of better financial outlays for the development of these areas while preparing the draft of the Fourth Plan.

Thereafter, in October I wrote a letter to the Minister of Food and Agriculture in the third week from Kulu, that the second meeting of this

[Shri Hem Raj]

Advisory Committee be called. I received a reply not immediately, but after 1½ months from the Minister, and the reply was that it was not possible because there was unusual delay in the submission of the report of the working group.

Now, seven months have elapsed. According to the programme framed by the Planning Commission, certain date lines had been fixed for the different Ministries by which they must submit their proposals—and the Ministry of Food and Agriculture knew them—so that they might be considered at the planning stage, and the Finance Ministry might be consulted for giving more financial aid for the purpose. But the Agriculture Minister has been sleeping over this matter, and nothing has been done so far. Neither the Additional Agricultural Commissioner has been appointed, nor the working group set up, nor any study made. The Chairman of this committee at the first meeting remarked:

> "As a prerequisite, the States were requested to furnish factual information on the problems of their hill areas. The data received are being consolidated and categorised for reference purposes."

But, nothing of the sort was done. No special cell has been created so far.

My first question will then be: what have they done for the appointment of that special officer for the purpose of keeping to all these date lines which they had themselves fixed in that committee? Has the blueprint been prepared now? When the plan is finalised, how will he be in a position to assure the hill advisory committee that any financial allocations which are very much required for the development of these areas will be given by the Central Government or the Planning Commission? About these border areas, people are very much apprehensive of the defence of these areas, and it is good that people care for these areas because they know that on the border 16 Chinese divisions are poised against us; my friend Mr. Kamath is very much apprehensive. But if the economic condition of the people in that area is bad, the military alone cannot deliver the goods; no Army can succeed there unless the economic condition of these areas is also raised. Therefore, I will request the hon. Minister to enlighten this House on all these points, how he will be able to get all this financial aid which this hilly area requires for its development.

Shri Sham Lal Saraf (Jammu and Kashmir): Sir, I want to make one submission. I am a signatory to the original question.

Mr. Deputy-Speaker: No submission at this stage; you should have notified earlier. Your name is not here to allow you to put questions now. Mr. Kamath.

Shri Hari Vishnu Kamath (Hoshangabad): I am sorry to say that, in all, thirteen Members including the Minister and you, Sir, are present when this interesting subject is being discussed. Anyhow,....

Mr. Deputy-Speaker: Are you raising the question of quorum?

Shri Hari Vishnu Kamath: I did not raise it in a formal way.

Mr. Deputy-Speaker: Unwittingly you made that remark and I have to ring the Bell.

Shri Hari Vishnu Kamath: I shall withdraw it.

Mr. Deputy-Speaker: But it has gone on record. We cannot continue unless we have quorum. Let the Bell be rung.

Shri Hari Vishnu Kamath: The hon. Minister's reply will not be there. Will it continue in the next session?

Mr. Deputy-Speaker: No, it is finished. This Bell is being rung.—The bell has been rung. We have waited for five minutes. There is no quorum. The House stands adjourned till 11 A.M. tomorrow.

17,26 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, December, 18, 1964/Agrahayana 27, 1886 (Saka).

GMGIPND—LS II—1916 (Aii) LSD—29-12-64—970.